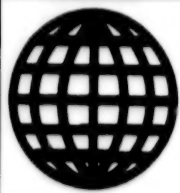


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**FOREIGN
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JPRS Report

Near East & South Asia

Near East & South Asia

JPRS-NEA-92-069

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2 June 1992

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EGYPT

Next Fiscal, 5-Year Investment Plan Previewed

92AF06579A Cairo AL-AHRAM AL-DUWALI
in Arabic 14 Apr 92 p 4

[Article by Amal 'Allam]

[Text] Deputy Prime Minister and Minister of Planning Dr. Kamal al-Janzuri has completed the final details of the amount and allocations of the 1992-1993 investment plan, to be submitted to the People's Assembly and the Consultative Council in May, prior to putting it into effect in July.

The plan that Deputy Prime Minister and Minister of Planning Dr. Kamal al-Janzuri prepared aims at assigning a larger role to the private sector, investments in which are about 50 percent of total investments in the 1992-1993 annual plan.

Zafir al-Bashari, vice president of the National Investment Bank, said investment in the coming fiscal year total 25 billion Egyptian pounds, 12 billion of which are for the private sector and 3 billion are for business sector companies. Most of this amount will be allocated to renewal and replacement, as well as for completion of projects. The government's and the [public] services offices' share is about 10 billion pounds.

Also, Dr. al-Janzuri is now considering increasing the 1992-1993 investment plan by 3 billion pounds, which had been allocated as an investment reserve, bringing the investment plan's total to about 148 billion pounds.

Zafir al-Bashari, vice president of the National Investment Bank, said these increases are in response to the request by People's Assembly and Consultative Council committees, after their discussion of the preliminary outline of the five-year plan that was submitted to them last March. The increases will be allocated in the utilities sector, such as rural electrification, education, and sewers.

Also, the public sector will be assigned a greater role, particularly in the field of oil investments, which will increase from 6 billion pounds to 10 billion pounds.

The new five-year plan will, at the request of some People's Assembly Consultative Council members, include for the first time allocations for financing the Social Fund.

The vice president of the National Investment Bank said that the bank's role will witness a major change in the coming stage. The inclination is toward changing its role to a specialized bank that provides financing to the public and private sectors; and establishing new administrations, such as a committee for the management of credit and securities so the bank will play the role assigned to it under the new five-year plan, particularly in the field of directly accepting investments from the family sector. It would also lend money to important

projects, even in the private sector. This would require diversifying the savings instruments that the state offers the depositor and the incentives it offers to investors in projects which the plan might deem important.

Zafir al-Bashari added: "The third five-year plan framework underlines the need for public sector sales income to be deposited in the National Investment Bank, in order to grant investment loans of prime importance from the state's standpoint, whether public or private sector."

"In this regard, the plan has established that [public or private] ownership is not important. Foremost among the priorities is to preserve national capital and avoid its being spent on consumer goods, and to compel the public sector units still in the government's hands to operate according to market mechanics alone. This should be coupled with a change in the missions of what is known as the executive ministries. The shrinking of the productive sector, or its total disappearance, requires that these ministries should turn into bodies that study and formulate policies, propose projects, and follow the activities of the sectors on the various levels of the national economy.

"The five-year plan has also established the need for linking the National Investment Bank's financing to investments by the administrative bodies, the local administrations, the public offices and services sector, and the business sector. Prior technical and economic surveys should be carried out to ensure streamlining investment expenditures and the ideal use of existing investments, with the aim of reducing the deficit in investment financing, the repayment of which falls on the state budget. It further calls for reducing the burden of state investments on the balance of payments, along with increasing the government's local investments by exploiting local production capabilities, increasing job opportunities, and boosting national production. The third 1992-1997 five-year plan provides for allocating 65 billion pounds for investments, which is likely to be increased by the equivalent of the public sector's investments in projects in which it can replace the public business sector.

Private sector investments during the third five-year plan in the field of industrial projects are estimated to reach about 18.3 billion pounds, of which 5.6 billion pounds are for the completion of 754 factories. These factories' production is expected to reach 5.8 billion pounds, and to create about 80,000 jobs. Also from this 18.3 billion, 3.4 billion pounds for the completion of some 1,427 industrial projects, whose production is expected to reach about 11.1 billion pounds and employ about 62,000 workers.

On the basis of discussions in the National Assembly and the Consultative Council committees, it has been decided that private sector investments in the oil sector

should be more than 10 billion pounds, in order to continue developing discovered fields and to increase oil and natural gas reserves.

The private sector's investments in transportation and communication in the next plan are estimated at about 5.3 billion pounds, based on the sector's proposed expansion in passenger transportation and undertaking all additional overland goods transport, in view of the public sector's decreasing role and the restricting of its investments to necessary replacements and renewal. This is also due to increasing the private sector's participation in air, maritime, and river transport. Additionally, the General Investment Authority has approved four new air and maritime transport projects, with a total investment of 612 million pounds. Therefore, it can be said that the private sector will assume all the new projects, and this would bring about the desired changes in production and services in order to boost exports, contribute to reducing imports, and satisfying the multiple needs of consumption and investments.

Sidqi: Woes Include Investment Company Scandal

92AF0679B London AL-SHARQ AL-AWSAT in Arabic
14 Apr 92 p 6

[Text] The Egyptian Government is facing a serious parliamentary situation. Earlier the government won a vote of confidence by 432 votes against 22 from the leftist opposition, the National Progressive Unionist Group [NPUG] deputies, and a number of independents.

The first furious confrontation the government is preparing to deal with concerns a report by a fact-finding committee that the parliament had formed to investigate a tourist project in Muraqiyah village in Port Said Governorate. This came following the discovery of numerous financial and administrative violations in the project, which Governor Lt. Gen. Sami Khudayr committed, causing the loss of 20 million pounds in state funds. Some 5,000 square meters of Port Said beach were allocated to an investment company in return for a paltry sum.

The fact-finding committee concluded its report by condemning the financial and administrative violations that the governor had committed, and called on the government to quickly take the necessary legal steps to deal with these violations, rescind the decision allocating state lands to the project, and to dismiss the governor from his post for being responsible for these violations.

The government is facing a critical political situation because of the report, particularly since the deputies who brought up this question were Port Said deputies from the National Democratic Party [NDP], and that the decision to form a fact-finding committee was made by the majority of the ruling NDP deputies. The parliament's condemnation of the governor will have serious political repercussions for the government and for relations between the ruling NDP and the government,

which would pave the way for other deputies from some provinces to demand fact-finding committees to examine governors' work, in view of the present numerous violations.

The government is afraid that new developments might occur from this issue that could lead to the opposition reaping political gains from it. The government would be in an embarrassing situation, particularly since the 26 deputies who rejected its project and denied it parliamentary confidence might ask for referring the report to the attorney general in order to investigate the governor for the violations he committed and for squandering public funds. This is particularly serious since the case of former al-Minufiyah governor Yahya Hasan, known as the al-Riddah case, is still before the court and in the hands of the investigation authorities, after the governor was dismissed from his job and held in remand custody pending investigation. The NDP leadership has begun contacts in order to call NDP parliamentarians for a meeting this morning before the report is put forward for discussion, in order to agree that the recommendations contained in it are the maximum and not the minimum acceptable to NDP deputies.

Dr. 'Atif Sidqi's government is facing another critical situation because of the [Islamic] investment companies that came to the political surface three years ago and escalated greatly in the past few months. The case is being dealt with by a triangular axis, the base of which is the government and its executive bodies, especially the Money Market Authority, the Ministry of the Economy, the security authorities, and two knowledgeable judiciaries, namely the Attorney General's Office and the Socialist Prosecutor's Office. Investigations with owners of those companies are still underway, in order to preserve the money of depositors and repay it to them.

Parliamentary deputies—members of the ruling NDP, the opposition, and the independents—are participating with the parliament in dealing with the case, on the grounds that the parliament is the legislative and ultimate supervisory body. Moreover, the Socialist Prosecutor's Office, as a political judiciary body, comes under the parliament and is subject to its control. The aim is to speed up resolving this long-standing case. More than 20 deputies submitted questions and requests for information to the prime minister and minister of economy, in addition to two questions by two independent deputies, namely Dr. Ibrahim 'Awwarah, a deputy from Tanta, and Muhammad al-Sindiyyuni, the deputy from Kafr al-Shaykh, in view of the government's responsibility for the disaster that befell those companies.

Agreement has been reached on holding a special parliamentary session on Wednesday in order to discuss the case and hear the government's responses to the deputies' demands for the dismissal of Dr. Muhammad Hasan Fajj-al-Nur, head of the Money Market Authority, from his post because of his responsibility for what those companies have done, especially the al-Sa'd

investment company. They also demand that the government should begin reimbursing the depositor's money from those companies because it failed to protect the depositors' money. They will demand tightening control over these companies. The question being raised is whether there is a connection between the agreement with the IMF, and the final liquidation of those companies and the names of the senior officials who received benefits and money from those companies. These include former ministers and governors, one of whom is former al-Sharqiyah governor Amin Mitkis who worked as a consultant to the al-Sa'd investment company.

Public opinion in Egypt is watching with great interest for the outcome of the political confrontation between parliament and government; for the nature of the decisions the parliament will adopt; and whether they will lead to the situation remaining as it is, or if there will be a breakthrough in this case. However, it is not expected that the parliamentary confrontation will lead to the downfall of the present government, particularly since President Husni Mubarak's statement following his return from his trip abroad two days ago praised the government's efforts and its achievements. He also denied any intention to reshuffle the government, in view of the commitment to a three-year comprehensive economic reform. However, he said that this does not preclude firing any official who proves to be unable or incapable of carrying out his responsibilities.

Egyptian Companies Fear More Libyan Sanctions

92AE0679C London AL-SHARQ AL-AWSAT in Arabic
5 Apr 92 p 9

[Text] Cairo—Egyptian business circles, exporters, and companies are concerned about the escalation of economic sanctions against Libya, which might have negative effects on them. The exporters fear losing this market if a comprehensive economic boycott is imposed, because Egyptian companies have succeeded in exporting to Libya and therefore partially solving the problem of the drop in their local sales because of the recession.

Egyptian economic circles do not see great negative economic effects from the sanctions that the UN Security Council has imposed on Libya so far, including an air blockade, since most of the trade between the two countries takes place overland. This trade is expected to increase in the coming period.

Dr. Sa'id al-Najjar, a former economic expert with the International Monetary Fund (IMF), said the Egyptian Government will be in a awkward position if the Security Council forces it to implement the resolution and rejects the petition it submitted requesting exemption, in view of its geographic and other ties with Libya, particularly Egyptian workers employed there.

"There is no doubt," he added, "that there are both positive and negative effects on Egypt, whether Egypt abides by the resolution or not. The same applies to the

Maghreb countries, especially Tunisia, who is linked to Libya by cooperation and unity agreements."

On the other hand, Ayman 'Abd-al-Ghaffar, the commercial counselor at the Egyptian Ministry of Economy, said that "This resolution has had a great impact on the economy and trade between Egypt and Libya, particularly since trade between the two countries has reached its highest level, totalling 700 million Egyptian pounds. This is in addition to the expected drop in border trade. There will also be a major drop in Egyptian workers' remittances from Libya.

"But there will be some positive effects, since all Libya's trade transactions are expected to be carried out via Egypt or Tunisia, particularly in foods, which was remarkably active in the past three months. Libya has stepped up purchasing those commodities as a precaution against such a resolution being issued. Moreover, the Libyans still have on their mind Iraq's experience and the blockade imposed on it during the Gulf crisis."

Dr. 'Abd-al-'Aziz Hijazi, a former Egyptian prime minister, said "As long as the Security Council resolution calls for an air blockade only, trade traffic between Egypt and Libya will not be greatly affected, since it mainly relies on an overland route."

Abu-al-Sa'ud Sultan, chairman of Egyptian Exporters Association, said "If the blockade is confined to the airlines, then trade between Egypt and Libya will not be affected and will continue normally, because 90 percent of this trade takes place overland, and 10 percent by air and sea. But should the ban include overland and maritime routes, as is being applied against Iraq, then it will be completely different, and the Libyan economy will be much affected.

"The trade volume between Egypt and Libya last year increased to 1.5 billion pounds for the private sector, in addition to trade between the public sectors in both countries, which included a mutual deal worth \$100 million. Investments by Libyan individuals in Egypt is estimated at 1.5 million pounds, mostly in tourism and tourist villages and hotels in Alexandria, the Red Sea, and Sinai."

Khalid Abu-Isma'il, a deputy of the General Office of Exporters and head of the Exporters' Office in Alexandria, said that the Security Council ban on air traffic in Libya will increase trade traffic between the two countries in the coming period, because of the existence of an overland route and the opening of the Egyptian-Libyan borders. Also, Egypt is the only outlet right now for Libya to obtain its essential commodities, especially food, medicine, and raw material.

Hilal Shita, a deputy in the Exporters' Office, expects an increase in Egyptian exports to Libya, especially in foodstuffs and medicine, particularly since 90 percent of Egypt's exports to Libya are carried out overland.

Salah-al-Din Husayn, a deputy in the General Office of Investors in the Union of Chambers of Commerce, said "If further sanctions are imposed, they would become a total economic blockade. If this happens, then the situation will be extremely serious for the Libyan economy, Libyan investments in Egypt, and for exporters to Libya."

Muhyi Qandil, head of the Importers' Office, agrees, saying that "If the Security Council resolution becomes a total economic ban, then it would lead to Egyptian factories suffering great losses that have been manufacturing goods exclusively for export to Libya."

Eng. Mustafa Rizq, first undersecretary in the Ministry of Housing, said "Reinforced iron that came from Libya covered a substantial part of the shortage of reinforced iron in Egypt. Libya used to export 300,000 to 400,000 tons of reinforced iron to Egypt, which helped to bring down the price of locally-produced iron. This has also prompted activity in the Egyptian real estate market, because investors in the construction private sector have been using reinforced iron coming from Libya to build their homes and factories, on which had been suspended because of the iron shortage."

Eng. Khalafallah Imam Khalaf, chairman of the board of directors of the Prefabricated Homes Company, said that three contracting companies are now operating in Libya in construction work, including al-Jizah General Contracting Company and the Red Sea General Contracting Company. The danger to Libya is a recession in the real estate and economic markets, which would affect development and other sectors. This would slow down companies' activities in Libya, including Egyptian companies.

Dr. Eng. Munir al-Muqaddim, chairman of the board of directors of the Mineral Wealth Company, said the company exported to Libya marble and granite because of the market's need for them. He said, "The proposed ban will greatly affect the trade between the two countries, particularly since the amounts involved are very large. Egypt has obtained large quantities of reinforced iron from Libya in order to cover the deficit. Egyptian consumption of reinforced iron is 1.8 million tons annually, while local production is only 1.3 million tons. The deficit, about 500,000 tons, is covered by Libyan imports. Moreover, Libyan reinforced iron has been offered in the Egyptian markets at lower prices than the locally-manufactured iron. A ton is sold for 900 pounds, while the price of local iron is 1,200 pounds. This has brought down the price of the locally-manufactured iron to 900 pounds."

"Libyan reinforced iron has been stockpiling in Egypt, as a result of which construction activity returned to normal after a period of recession due to the iron shortage and its high prices."

Dr. Ahmad Khamis, a professor in al-Sadat Academy of Administrative and Accounting Sciences and Costing, said "Trade between the two countries, on the official

and popular levels, has developed, reaching billions of pounds. For example, Libya recently bought carpets and small manufactured goods from Egypt valued at over 500 million pounds."

Muhammad Hasan al-Siba'i, director general of the Egyptian Cooperative Union of Craftsmen said that goods that Egyptian craftsmen displayed at the Tripoli International Fair were sold out on the opening day. Contracts signed with the Egyptian crafts sector totalled 50 million pounds, providing for the purchase of ready-made clothes, carpets, furniture, textiles, knitted items, and metal and household equipment.

Incidences of Bribery Discussed, Condemned

92AF0730C Cairo AL-AHRAM AL-MASA'I in Arabic
8 Apr 92 p 3

[Article: Boutiques For Bribery of Minor Officials"]

[Text] Bribery has increased to the point that it sometimes becomes the prevailing system in all sectors and governmental agencies. The [mere offering of a] cigarette is no longer a guarantee that an official will concern himself with a citizen's business. On the contrary, government agencies have been turned into 'boutiques' that sell citizens' interests in illegal and illegitimate ways. These boutiques compete to raise their prices—I mean whatever their personnel demand in bribes—day after day, depending on the importance of the business and the extent of the citizen's need to expedite it. However, unfortunately, some irresponsible voices are heard justifying this behavior, ascribing it to the employee's being 'downtrodden and ill-treated.' Since when has feeling depressed justified bribery or thievery?

AL-AHRAM AL-MASA'I Looks at Official Corruption, Including Bribery

A dairy store owner says: "I tried for five years to get a permit for the shop, but without success, despite the fact all the application papers were filled out. But one of the people working in the permits section advised me to pay a bribe of 500 Egyptian pounds, in order to obtain the permit in only two days, because it required several signatures from employees in that section. Each one demanded money in exchange for completing the licensing process. I should add that the health official who inspected the shop demanded a bribe, as well as the district engineer. On the street where my shop is located, there are dozens of stores that do not have permits. The inspecting engineer walks through them and, unless one pays the 'taxes' that he demands, he reports them in accordance with the law!"

A grocery owner says: "I worked in Saudi Arabia for 15 years. After I returned, I decided to open a small business, a grocery. I went to get a permit for the shop. The official asked me for a specific amount of money in exchange for his concluding the process, but I refused to pay it. After that—for four months—I shuttled among the officials' offices without getting a permit. All I could

do was to go directly to their boss to complain about these officials. Later, the file on my shop completely disappeared. One of the officials told me, 'Go and complain, or stay and pay me if you want a permit.'"

Another grocer said: "When I went to get a permit for the shop, the official began to complicate matters until I became frustrated. I left the district building without any hope of completing the licensing process. Then, the official came to the store and began to haggle with me. Finally, he demanded a specific amount of money in exchange for completing the process. When I refused to pay him a bribe, he got the district officials to write reports about the shop nearly every day. All I could do was pay the bribe he demanded!"

A supermarket owner says: "Merely thinking about obtaining a commercial store license is a drama. From the start of the initial steps to obtain one, petty officials begin to haggle until the designated bribe is paid, so that the process can be completed without problems. If the demanded bribe is not paid, the official begins to use the [bureaucratic] routine as a means of pressure. The process goes on for months. The official can suspend it forever!"

Official bribery extends to courts, because of some—not all—low-ranking officials.

One lawyer says that when he was trying a case, a bribe had to be paid to the treasurer to obtain the necessary documents, as well as when the case was brought up, when it was withdrawn officially, or petitioned, or even when a judgement was granted. "With regard to the most serious cases we faced, it was easy to rig the court report in exchange for bribes. Bribery became a custom with court officials, since there was an unwritten agreement between lawyers and minor officials. At the present time, a serious and infamous case is being heard in a court. One person lodged a judicial claim against another person, because he was given a check with insufficient funds. In cases like this, a check is deposited in the court's vault. However, the adversary's lawyer came to an agreement with the secretary to steal the original check and replace it with a forged check, in exchange for a sum of money. The lawyer would then be able to challenge the check as a forgery. But it was the lawyer and secretary's bad luck that news of this deal reached the ears of the Administrative Oversight Office. A warrant was immediately obtained from the Public Prosecutor's Office to pursue this suspected deal. Arrangements were made to place a recording device in the court treasurer's office, and telephone conversations between the lawyer and the treasurer were monitored and recorded. When the date was set to hand over the forged check to the treasurer, so that the original check could be replaced, they were both arrested and handed over to the Public Prosecutor's Office."

The strange thing is that this was the second story recounted by this same lawyer. He said: "A treasurer in

the Misdemeanors Court used to change the wording of verdicts in exchange for money from lawyers."

Covertly

Maj. Gen. Dr. Fu'ad Jamal, director of the Bribery and Public Funds Theft Enforcement Administration, talks about the problem of bribery.

"Bribery crimes are not easy to uncover. Therefore, only 150 cases were arrested in 1990. The following year, this figure rose to 160 cases, and in January and February of this year, we have had only 25 cases. However, in one month, we receive more than 1,000 reports of bribery, of which about 90 percent are spurious. Most of the cases that entail arrests are confined to the Ministries of Local Government, Justice, and Finance (Tax Agency). All of these ministries deal directly with the masses.

"Crimes of official corruption include bribery, exploiting influence, usury, and illegal gain. We could also include the arbitrary use of authority. Using one's authority excessively or arbitrarily results in the commission of crimes of official corruption in all its forms. When we talk about the first form of official corruption, i.e., bribery, which is called the 'black' or 'unseen' crime, it is always done covertly. It is the unseen crime, because the authorities learn about less than 1 percent of actual bribery cases. This is because those involved have mutual interests. Therefore, neither of them will tell the authorities and, consequently, it is difficult to uncover such crimes. Our activities in countering bribery are confined to whatever citizen reports we receive. Whenever we receive a report, we don't take it as incontestable. On the contrary, we make thorough, intensive, and secret inquiries, in order to confirm the serious nature and truth of the report. If we determine that the report is true, we request a Supreme State Security Prosecutor's warrant to record and photograph meetings held between the informant and the subject under investigation, i.e., the dishonest official who demanded the bribe. When we determine the date and place where the bribe will be handed over, we set up the necessary stakeouts for the criminal investigation officers in the Office of Bribery to arrest the suspect. He is then turned over to the prosecuting office concerned.

"However, we do have to confirm the public authority of that official and the act requested of him in exchange for a bribe. Even if the public official claims that he is authorized for that job, and he is not, the law still includes him. But there must be a connection between the act and the function at which he works. Incrimination has not been confined to receiving money. It is sufficient that there was an advantage or benefit gained. The legislator even thought that sexual pleasure constituted a bribe. Moreover, gifts can be a bribe if the purpose behind them is to complete business by a public official. The legislator was vehement about calling this action a crime and giving the perpetrator the most serious penalty. The punishment is hard labor and

dismissal from his post, and a fine of not less than 1,000 pounds or no more than half of what the public official demanded as a bribe."

No Phenomenon

Maj. Gen. Dr. Fu'ad Jamal asserts: "The crime of bribery does not constitute a phenomenon. Every nation in the world has its deviations and official corruption. Despite that, I want to warn citizens against concluding their business in governmental agencies by means of bribery, so that bribery does not become a phenomenon in our society. There are weak-willed officials. One cannot deny this aspect of some public officials. But there are many who reject many temptations, instead of violating their trust. Examples include the police officer who was asked to change his testimony in court in exchange for a luxury apartment in the heart of the city, and who refused. There were two Border Guard officers who turned down a million pounds in exchange for allowing a truckload of narcotics to enter the country. There was another police officer who refused 500,000 pounds to allow another truckload of drugs to enter the country. There are many other examples."

Concerning the reasons for the spread of bribery among officials, Maj. Gen. Dr. Fu'ad Jamal said: "Some motives for bribery can be attributed to being the consequence of social, economic, and political factors, or religious and behavioral factors, although some bribe-takers were overcome by need and poor income to venture into bribery. However, I want to stress that poverty is not a motive for this crime. There are some officials whose salary does not exceed 50 pounds a month, and whose necessities for living exceed that. Despite that, they refuse bribes."

Illegal

Maj. Gen. Dr. Fu'ad Jamal added: "The citizen who resorts to paying a bribe to officials in order to finish some business that must be concluded, and who is not meeting his legal commitments, or whose business is illegal, will be subject to paying whatever bribe is demanded of him. The citizen who has met all his legal needs, but from whom a bribe is demanded by the official—that citizen must come to us, and within 24 hours we will arrest that crooked official. Therefore, I consider the real blame to lie with the citizen, and not with the public official, because the former causes the latter to become a crook."

Religious View

Dr. Ahmad 'Umar Hashim, the deputy shaykh of al-Azhar University, said: "The holy Koran warns about committing such crimes. God said, 'Do not eat up your property for vanities among yourselves [nor use it as bait for judges.]' [Koran 2:188]. The Prophet said, 'God has cursed he who gives and he who takes a bribe. The briber is the middleman between the one who gives the bribe and the one who judges it.' Therefore, we find that bribery is a social crime that must be opposed. It takes

many forms, such as veiled gifts that might be a pretext or have another purpose. Muslims must stay clear of bribery. It will only spread among the people because of weak faith and lack of religious restraint."

Nasirist Party Expands Organization, Policies

92AF0730B Cairo AL-AHRAM in Arabic 21 Apr 92 p 7

[Article by 'Abd-al'Azim Darwaysi: "Establishment of Nasirist Party Structure in Governorates in Six Months; Cooperation With Parties to Adopt National Position Regarding Arab Issues"]

[Text] Diya'-al-Din Dawud, the deputy founder of the Democratic Nasirist Party [DNP], emphasized that the DNP's official establishment is a guarantee of the end of the state of political and partisan stagnation that has dominated society.

Dawud, who held the post of minister of social affairs until the beginning of the seventies, said that the tasks of establishing his party's organizational structure in all governorates would take less than six months, after which the party would be ready to effectively carry on its political and partisan activities.

Diya'-al-Din Dawud pointed out that the time had come to respond to President Husni Mubarak's call, in his capacity as leader of the National [Democratic] Party [NDP], to hold a joint dialogue. The president announced this invitation eight months ago, but the Nasirists were scattered among many political parties and were unable to respond. Dawud said that after the party's establishment, there would be nothing to prevent that, "because we will meet in a dialogue with the NDP or any other party. We accept dialogue with all factions, because the present situation requires a joint, national position to counter the forces that clearly want to destroy the struggle of the Arab community."

Diya'-al-Din Dawud expressed the hope that his party would embrace all Nasirists, and that all Nasirists would join the party, so that its activities could compensate for the time that it has been deprived of official status. Dawud stressed that there was no real ideological or non-ideological conflict among Nasirists. "The party will sweep away all the consequences of the period of unrest through which Nasirists have passed. The party will be for all Nasirists."

Diya'-al-Din Dawud added: "I think that belief in democracy requires that this matter be up to the people, and not any one individual, no matter who it may be. The masses will [decide if] the party and its leadership stay or go, not any individual."

Dawud confirmed that Arab nationalism and solidarity among the various Arab peoples represent the backbone of his party, and of a hope to achieve total unity.

In a response to a question about whether his party would take up a position in the opposition trenches

against the NDP, Dawud said: "I don't want to say 'against the NDP or any other party, but I will say that the Democratic Nasirist Party has clear principles. They will govern its relations with the different forces and parties."

Will Diya'-al-Din Dawud's vision prove correct? Will his party be like a stone thrown into a stagnant pool of political parties? Or will it be just a new number to be added to the list of existing parties?

Democratization, Economic Reform Reviewed

92AF0635E London AL-SHARQ AL-AWSAT in Arabic
18 Mar 92 p 14

[Article by 'Ali Ibrahim in London: "Group of International Factors Aiding Program's Success; Enhancement of Egypt's Democratic Experiment Linked to Economic Reform; Western Agencies Convinced Conditions Differ Between Cairo, Algiers"]

[Excerpt] [AL-SHARQ AL-AWSAT introduction] 'Ali Ibrahim writes from London about expansion of Egypt's democratic experiment and the economic reform program, finding a strong correlation between the two issues. To the extent that phased economic reform succeeds, the way will open for improving the democratic experiment. He also looks at the controversy over the impact of events in Algeria on Egypt's democratic experiment, how conditions in the two countries differ, and the totality of internal and external conditions that make Cairo an excellent climate for applying the economic reform program. [end introduction]

Out of all the domestic issues raised in Cairo at present, we can pick out two key ones—economic reform and expansion of the margin of democracy—topping the current controversy at both official and unofficial levels. Although they may at first appear to be quite removed from each other, they share a deep correlation and linkage.

Economically, Egypt is undergoing deep and radical changes violating all the old taboos of the past as it transforms into a market economy. On the issue of democracy, events in Algeria raised a controversy in Cairo and in the West as to whether it might have a ripple effect on Egypt's experiment, particularly since Egypt also has fundamentalist pressures similar to those in Algeria.

The correlation between the two lies in the fact that political stability is one of the most important conditions for successful economic reform. Reform is not an easy task, especially at the outset, when social pressures are usually severe and the measures unpopular. At the same time, traditional economic liberalism cannot flourish in anything other than a politically liberal environment.

It is easy to see that the margin of political liberties in Egypt is one of the major reasons for the political stability it enjoys, despite being in a troubled region and

having social pressures at home. This experiment is being monitored by many in the West and in the region because Third World experiments in democracy have so far faltered, and often encounter disasters. Western analysts have raised questions, following the events in Algeria, about whether the same situation could happen in Egypt.

In Cairo, however, even among Western analyst circles, there is a prevailing conviction that Egyptian conditions are totally different. First of all, the experiment has an internal dynamism that no one can stop. The first signs of this dynamism began to appear when the state allowed the formation of platforms in the seventies, only to discover a short time later that these had turned into actual parties in practice, whereupon the party system was declared. Now in 1992, the experiment has its own history and reality in the popular pulse from which it would be difficult to retreat.

Secondly, despite the pressing problems of everyday life, it is easy to see that broad sectors of Egyptian society are not living in such severe tension as other societies, which began political liberalization more recently. This is due, in large measure, to opportunities for relieving political pressure. Thirdly, the chances of Egypt being affected from abroad are weak. It usually undergoes change as a result of internal interaction.

The current controversy is not about democracy itself, but about two courses. One represents the official course, joined by some nonofficial sectors, that would advance democracy gradually, in doses commensurate with social and economic progress, to avoid any severe shocks that might damage stability. The second course opposes the principle of gradualism, demanding that the way be opened for the fullest practice of democracy. It feels that an appropriate degree of social and economic maturity now exists for that to happen.

Conditions in Egypt's regional environment are undoubtedly having their impact on the controversy surrounding expanding the margin of its democratic experiment, especially with the area still so far removed from what might be called relaxation or stability, even though there is a general conviction shared by both courses that the best approach in the years ahead lies in expanding and developing the experiment, for many reasons related to the evolution of the society itself and the universal tendency to support the expansion of the margin of freedoms in Third World countries.

In terms of the economy, the situation in Egypt would allow for future expansion of the margin of democratic experimentation without any problems that might affect stability. We should not fail to note that this gradual approach is shared on both sides, in politics and economics.

Although there was always a sense of nervous expectation in the political environment associated with the first, most difficult year of the economic reform program agreed on between Egypt, the International Monetary

Fund [IMF], and creditor nations, it passed safely and without social tensions, unlike many nations that applied these prescriptions, usually described as bitter medicine.

The reason for this is that many of the preparatory steps had already been taken in previous years. The ground had been more thoroughly prepared than in the former Soviet Union or Eastern Europe, which undertook a radical policy of sudden economic change, with people discovering that prices had jumped tenfold overnight. Moreover, conditions between Egypt and these other countries differ in that the private sector had a role in the Egyptian economy. It had never disappeared, and in fact, had gained an increasing share of economic activity during the seventies and eighties.

The critical test being watched by the World Bank and creditor nation members of the Paris Club relates to economic liberalization and the application of market economic principles. These include the most politically sensitive part of the reform prescription, especially the bitter medicine of selling public sector companies to the private sector, and the fallout from dismissing excess manpower in these companies, so that they can be managed economically. This comes just as the market is witnessing higher numbers of unemployed graduates and youth, the withdrawal of commodity price subsidies, and subsequent price increases that affect the limited-income majority already suffering from the high cost of living.

This is the crux of the current controversy over the economy in Cairo, now that government has hesitatingly moved towards the application of these policies, either by establishing holding companies to manage and correct the situation of public sector corporations, or by preparing an initial list of companies to be sold once their asset value has been determined. [passage omitted]

ISRAEL

Absorption Problems Among Russian Immigrants

92AE0356B Tel Aviv BAMAHA NE in Hebrew
15 Apr 92 pp 32-35

[Article by Yotam Yakir; partially based on interview with Dr. Aharon Vinokur]

[Text]It seems as though the problem of the Russian immigration is a little like the weather. Everyone talks about it, but little is done. Under these circumstances, when there is a pressing problem and no foreseeable solutions, we need to at least find out the facts. To understand the essence of the problem and its intensity. Dr. Aharon Vinokur, a sociologist from Haifa University, is doing just that. Within the framework of his researches, he is gathering official data from the Ministry of Absorption, on the immigration from the Soviet Union, analyzing them and definitely succeeding in exploding several widely held myths.

If we compare the number of immigrants in the last two years to the total immigration over the last 20 years, we discover that during that period, a little more than half a million people immigrated. Just in the last two years, immigrants have numbered more than 65 percent of that figure.

The total immigration from the Soviet Union just in the years 1990 and 1991 was 330,000. In 1990, 185,277 arrived, and in 1991, 145,005.

The immigration has an amazingly uniform and homogeneous socio-demographic makeup. More than 60 percent came from three republics: Russia, Ukraine, and Byelorussia. The overwhelming majority immigrated from the cities: Moscow, Leningrad, and Kiev.

These statistics have an ethnic significance.

A majority of the immigrants, almost 90 percent of them, are Ashkenazi Russian Jews. Not Georgian, not Caucasian, not Bukharian.

As a result of the immigration, the ratio between Sefardim and Ashkenazim in Israel has changed, or if you prefer a scientific definition—between those of European-American origin and those of Near Eastern origin.

In less academic words, we can say that the Sefardim have lost their majority in the State. If until the latest immigration, the Oriental Jews had a certain advantage in numbers (53 percent as opposed to 47 percent), the proportion has changed today, and the majority has moved to the Ashkenazi side (51-52 percent to the Ashkenazim, and the rest, the minority, Sefardim and Oriental Jews.)

Another fact, no less important: most of the immigration is atheist. So the ratio between religious and secular Jews in the State has also changed, in favor of the secular population.

Here we come to the academic-professional makeup of the immigrants, and here, too, we are speaking of a unique phenomenon. Among the new immigrants, more than 40 percent are scientists and members of academic professions. For the sake of comparison, the equivalent percentage in the Jewish population of Israel before the great immigration was just 8.6 percent, and in the Arab population the percentage was much lower still. Among the new immigrants from the Soviet Union, the percentage, then, is very high, and out of proportion.

And as if that was not enough, we can add another 35 percent of immigrants with higher education: engineers, nurses, etc. All in all, we come up with the astonishing figure of 75 percent either scientific professionals or with other higher education.

There is no doubt, Dr. Vinokur concludes, that this is a special population from the standpoint of intellectual level: "This is a tremendous human treasure." To strengthen his words, he brings another argument, based

on an examination of the age range of the immigrants. It turns out that 70 percent are under the age of 44, that is, a relatively young immigration with education and professional experience, not retirees or people near retirement age.

In the long term, the immigration will be an asset, but in the short term it constitutes a certain burden, says Dr. Vinokur. The proportion of single parents among the immigrants is above the Israeli average—many single women, and single men.

Dr. Aharon Vinokur is himself a veteran immigrant from the Soviet Union, already 20 years in Israel. He arrived with the great wave of immigration in the 1970's. He has great empathy with the immigrants, and speaks with great pain of the problems connected with the immigration. He sums up the immigration of the 1970's as a success story for the most part. Only scientists like himself, in the social science fields, did not find a place here. Engineers and doctors certainly did, humanities graduates—did not. "I am the only lecturer from my immigration group who remained in the profession," said Vinokur, "The rest have disappeared from the scene."

In an earlier study, that he carried out along with Professor Gur Ofer, of the Economics faculty at Haifa University, on the immigration of the 1970's, it became clear that the study, undertaken three years after the wave of immigration of those years (1973-74), concluded that the great majority of academics not only found work, but found it in their original professions. Ninety-eight percent of the doctors remained here in Israel working as doctors, and this is only one example. Among engineers, too, the great majority got along and found work in engineering fields.

The study found that after three years, the immigrants had not only become acclimated to Israel, and integrated into their work, but their average salary was higher than the average salary in Israel, and their economic situation was quite good. All this, as we said, occurred in the 1970's.

[Bamahane] Can we draw a comparison, and conclude that this time, too, there will be a successful absorption in the end?

[Vinokur] It is very hard to hope for a similar process, just because of one thing. The size and scope of the immigration this time are enormous.

[Bamahane] As a scientist, you will surely not like the next question, but perhaps you will be able to try and predict the end of the process. How will today's immigration look in another three years?

Vinokur thinks a lot before he answers the question. After great hesitation he makes a pessimistic declaration: a considerable proportion of those people who immigrated to Israel, and were over the age of 55, will remain

without work. Certainly not work in their own professions, but apparently even without any work at all. Those people will simply live on national insurance. The younger ones will slowly adapt, but a good proportion of them will be forced to receive professional retraining.

[Bamahane] This is an answer that is very unpleasant to hear.

[Vinokur] We must not generalize, but I am far from being optimistic. I do not foresee success here. In my estimation, the private sector is the one that will dictate the course of events, because in everything connected to government involvement—it is hard to hope for anything serious. Without any relation to the question of who will be in power.

There was almost no emigration from Israel in the 1970's, only between 4 and 5 percent. From this point of view, Vinokur estimates that from the immigration of the 1990's too, only a very few are likely to return to the Soviet Union. According to an interview that the Russian ambassador to Israel, Alexander Bubin, gave to Israeli television, in 1991 only 77 Jews returned from Israel to Russia. A small proportion of the immigrants want to emigrate to the Western countries (the United States, Canada) but such an emigration is a complicated process for two main reasons: one, there are limits on immigration to those countries; the other, an immigrant who wants to leave must pay back all financial debts to the Jewish agency, something that is impossible for most of the immigrants.

[Bamahane] Is Israel capable of absorbing the immigrants?

[Vinokur] Among the immigrants there is an awareness that Israel is definitely not able to handle the wave of immigration. One must take into account, that Israel, the Jewish agency, and the Ministry of Absorption are making meaningful efforts to absorb scientists, but it is not enough.

[Bamahane] Then, what? In the end they will get along somehow?

[Vinokur] Those who have immigrated will make more and more efforts to find work. In spite of all the disappointments and hardships, they will probably make it in the end. The effect is on the Jews who are still in the Soviet Union. The immigrants write letters to them, and advise them not to emigrate: saying that it is still not worthwhile: "best to wait."

[Bamahane] How does the problem of lack of employment affect the immigrants with higher education?

[Vinokur] They have to find some kind of living. The outstanding phenomenon is that in spite of what they may say, the new immigrants are ready to take all kinds of work, without connection to their organic professions. Engineers, scientists and doctors work as cleaning staff and dishwashers in restaurants. In industry too, new

immigrants make up about 12 percent, three times more than the veteran Israeli manpower.

[Bamahane] Another interesting statistic that appears in the press shows that the immigration from the Soviet Union has actually contributed to lowering unemployment among the veteran population.

[Vinokur] Because it opened up new opportunities in certain types of employment for the veteran population (more trade, more services, growth in demand in certain areas, etc.)

Another influence the wave of immigration has had, again according to reports in the press, is that the yearly draft can be expected to grow by 20 percent. This is an addition of great significance to the total forces of the IDF (Israel Defense Forces) and added to that is the estimation that the level of motivation to serve in the IDF, including officer positions, among the immigrants is high, unlike what has come to be expected in the past.

[Bamahane] Will the immigrants' votes most probably strengthen the Left?

Among the new immigrants, according to Vinokur's analysis, there is a marked tendency to blame the Likud for a wide variety of problems related to absorption of the immigration. This apparently breaks the myth that most of the immigrants tend toward the extreme right. According to a poll carried out by the Dahaf Institute, 27 percent of the immigrants support the Labor party. Only 14 percent expressed support for Tehiya, Tsomet and Moledet put together.

Along with this, it must be emphasized that in this survey there was a very high percentage, almost 50 percent of those questioned, who did not respond to the questions or had still not decided who to vote for.

Another interesting fact: about 27 percent said that they would vote for a party of new immigrants if and when such a party was created.

Another survey, published by the Institute for Market Research, reveals that for every new immigrant who will vote for the right three will vote for the parties on the left. According to the survey, made in the second week of the race and published in the newspaper HADASHOT, 34 percent of the immigrants will vote for the Labor Party and another 5 percent will vote for Ratz. The Likud has only 11 percent support accord to this survey. In this survey, by the way, only three percent of the immigrants said that they would support an immigrants' party, if one was created.

Another central question is how the senior Israeli population is responding to the present wave of immigration? The common estimate is that the Israeli public looks on the phenomenon with favor. The national consensus is still unequivocally that Israel is the homeland of the Jews, the national center for every Jew, etc. Notwithstanding, there is a feeling that this time, other opinions are being heard, too. Vinokur emphasizes that in the

quotes that will be brought here, are not based on scientifically carried interviews, but are opinions he chanced to hear informally in the field.

"We should be a normal state, a state that absorbs immigration according to its needs, and not according to the values of the Zionist movement. There should be limits on immigration, just as in any modern country, on the model of the United States and Canada." This was expressed by a member of the academic community, in connection with the immigration from Ethiopia.

Vinokur claims that he also heard statements of that kind from the immigrants from the Soviet Union themselves: "Perhaps it would be better if more did not arrive. Then we would be absorbed more effectively."

Within the Oriental communities, too, it seems that the reactions to the immigration are not sympathetic. Dr. Vinokur chooses his words carefully. "I came across this among a small proportion. The feeling is that 'the immigration from the Soviet Union is coming at our expense,' or 'we live in development towns with a very low standard of living, and instead of giving to us, they give to the new immigrants.' I met with this negative attitude among university students, too."

This subject was examined in more detail in a study carried out in 1990 by Majed Al-Haj (funded by the Gutman Institute for Practical Social Research).

One of the questions in the study was formulated as follows: Would you be ready to sacrifice something of your standard of living to absorb immigration. In the answers the ethnic dimension stood out greatly. Al-haj found that Ashkenazim expressed greater readiness to sacrifice of themselves for the immigrants. Among the Oriental Jews there was less readiness to go down in standard of living. Another difference in the answers was at the intergenerational level. Members of the generation that grew up in the 1950's showed greater readiness to sacrifice than those who grew up in the 1970's or 1980's.

Dr. Al Haj predicts—and this is also a prediction that is not nice to hear—that the new immigration will cause serious ethnic tension in Israel. "Since the 1970's, the Oriental Jews have been strengthening their social standing. They do not want to return to the social status of the 1950's, and because the immigration from the Soviet Union is mainly highly educated, there is a basis for this concern. From a cultural viewpoint, these are two different populations. Also, the fact that right now the scales are tending toward an Ashkenazi majority in the State does not calm the winds. Tensions on an ethnic background are going to break out."

Al-Haj examined separately the attitudes of the leadership stratum within the Israeli Arab community. Here too, it turns out, the widespread opinion is that the immigration will have a negative influence. The leaders fear that the immigration will affect their political power potential, which in any case has shrunk before the upcoming elections.

One of the fears is that the demographic balance between Arabs and Jews will be affected, not in their favor. Thus, for example, it was reported recently that in the Galilee there is a Jewish majority now, for the first time in many years. Absorption of the massive immigration in cities like Acre, Naharia, Karmi'el, Safed, Kiryat Shmoneh, has brought about this result.

Another fear is that Arab lands will be confiscated to settle immigrants.

From a cultural viewpoint, by the way, the Arabs do not fear the immigrants. Precisely when it came to this, 43 percent of those questioned actually said that the immigration did not bother them.

Al-Haj explains that Arab society is more open to cultural change today, to bilingualism, for example, and they also are aware that the immigrants are not ideologically committed to the State of Israel. In the Arab community, they understand that they came to Israel because of problems in the Soviet Union, and not for Zionist motives. The Arabs are aware that among the immigrants there are those who are not Jews, but Christians and even Muslims, and so the opinion is heard that the immigration will perhaps even be able to help the Arab community, because it will diminish the national character of Israel.

The conclusion of the study is that the Arab population opposes the immigration from the Soviet Union, but that this opposition does not go beyond passive expressions.

Views of Ya'el Dayan, Limor Livnat Compared

92AE0337B Tel Aviv HA'ARETZ in Hebrew 10 Apr 92
pp 8, 12

[Article by R. Rosen: "The Differences Between Us Are Tremendous"]

[Text] A few days before Roni Milo', the good friend of Limor Livnat, will start presenting Ya'el Dayan as one of the extremist doves of Rabin's dovecote, Livnat and Dayan still looked almost like members of the same dovecote.

The extent of friendship that they demonstrated was much beyond that which is expected of politicians on the eve of elections. Perhaps because they are new. Perhaps because women are a minority in the Knesset and politics in general. Perhaps because after David Levi's big performance, they did not feel—each for her own reasons—like suddenly starting to attack one another.

Dayan tried to hold Rabin's line: we do not interfere with what is happening in Likud. From her outlook, the quiet after the big drama could continue up until the elections.

Livnat was supposed to begin moving the conflict to a level between her and Dayan, but this did not always succeed. Even Roni Milo', a few hours after her, on "Erev Hadash" [A New Evening], appeared to have

difficulty getting the election campaign started with only the help of the hollow excuses of the Rabin Prize quarrels.

Limor Livnat's outfit was elegant: a skirt and black blouse and heels. Ya'el Dayan came in faded jeans and sneakers, bordering on shabby. An attractive, elegant woman from Likud opposite an attractive woman from the Labor Party, whose crumpled appearance is also important to her as a politician.

Neither of them is new to politics, but they would be new faces in the Knesset. Livnat (Shamir-Arens camp) was selected for the thirtieth spot on the Likud slate. Dayan—on the thirty-seventh spot in Labor's slate. Livnat is 41. Dayan said—"add another 10 years to her age on me."

In the last weeks, they have become a sort of debate and entertainment team of the big parties. Schools, public institutions, and even clubs invite them to debate and they respond. These confrontations, Dayan reports, are sometimes very piercing. But, in the lobby of the Dan Hotel, it was sometimes difficult to identify the differences between them. Perhaps because this time it was without an audience.

It was not necessary to talk with them while they were being photographed for them to appear natural. Between camera flashes and unnatural poses, they made lively small-talk and, among other things, whispered to one another about Shulamit Aloni. "She could have said nicer things about Virshovski, don't you think?" Livnat asked. "And especially since he was not even elected."

And they practically did not even slip up. Only once, Livnat let slip that it was not intentional that when Arens speaks to voters he "sounds so boring that it is terrible; people hear that it is Arens and they do not want to come"; and Ya'el Dayan, after she already spode on women's rights, added that she had not voted for Ora Namir. After some time, she asked to correct herself, saying, "I meant that I did not vote for her only to head the slate." Livnat, with a slightly mocking smile, remarked, "It is not logical that you only meant that."

[HA'ARETZ] Do you intend to say a few personal words about yourselves?

[Dayan] That is a little funny, but alright. Basically, a native of Israel. Praised be to the the Labor Party. Deep political awareness when I was still at home. A very independent approach. This, too, is from home. I do not perceive myself as a politician who is bound to politics, because I always have a place where I can return.

[HA'ARETZ] Do you know politicians who say that they have nowhere to return?

[Dayan] In my case, with a record as a reporter and an author who has written nine books, I think that this applies. I did not grow on some branch.

[Livnat] I grew up in Herut, ever since I can remember myself. I am a "Palestinian", eighth generation in Israel. My father fought in LECHI [Fighters for the Freedom of Israel], a fighter and not a businessman, and my education comes from there. My mother came from the PALMAH [Striking Force of the Hagannah], but one could say that she has been reeducated. I am raising two small children and a husband. It is a bit difficult for me, because the more congested politics fell on me while the children are still small.

[HA'ARETZ] Did you marry late?

[Livnat] Not really. But I reached the Knesset late. Long after my university friends like Roni Milo', Mikha'el Kleiner, Mikha Reiser.

[HA'ARETZ] The two of you essentially sound pretty predictable. Going by what the parents said.

[Dayan] I do not value revolting for the sake of revolting. Belonging to something that is rooted in me from the beginning of my life does not seem to me to be a deficit.

[Livnat] That holds true for me, too, and it seems that in Ya'el's life, in her youth, there were many revolts.

[Dayan] Not only in my youth. When RAFI [Israel Laborers List] was established, I left MAPAI [Labor Party's predecessor] with my father, and then it seemed almost like the end of the world. Also when I went to TELEM [National Revival Movement].

[HA'ARETZ] With your father.

[Dayan] So what? There are no examples in politics for what you are looking for. Except, perhaps, for Moshe Aren's son (who was a member of Matzpen, R.R. [expansion not given], but this is a very extreme example. I am not sorry that I had a home that gave me roots that guide me to this day.

[Livnat] I, too, had a similar home, albeit with different roots, and I am not sorry about it either.

[HA'ARETZ] What did you know about each other until recently?

[Dayan] Up until four years ago, when Limor tried to get elected to the Knesset slate and did not succeed, I knew very little about her.

[HA'ARETZ] You did not hear about her mother?

[Dayan] No.

[Livnat] What can you do, I did hear about Ya'el's father. And I read a lot about Ya'el in the newspapers, like every Israeli.

[HA'ARETZ] The sagas? The family scandals?

[Livnat] Not that. I remember that, in her youth, she was a writer for the newspaper BAMAHAANE, always photographed in khaki, in the company of officers. She aroused a lot of curiosity in me, she seemed special and daring.

[HA'ARETZ] And now that you know her?

[Livnat] She is an independent woman, with defined political positions, but not very much to my taste. It did not bother me to wish that she would be elected. A week ago, I followed the primaries. She volunteered a good number of hours. And when she was elected, I was happy for her. I definitely preferred her over 'Amir Peretz, for example. And it is a shame that in the Likud they did not secure spots for women as in Labor.

[Dayan] I, personally, was not secured. I ran for a spot intended for women and I was elected as a result of the tens of thousands of votes that I received.

[HA'ARETZ] How do you depict Livnat?

[Dayan] Her ideology is not much to my nature, and it is much beyond the talk of someone who is right-wing. But, I respect her for not just being some woman who is going into the Knesset, but, one who is going to express political opinions. This is a change. Because it is expected that women will usually deal with canvassing for women or economic matters of society. For example, Sara Doron in the Likud, or Na'va 'Arad and Shoshana 'Arbeli 'Almozlenu with us. I have never understood where they stood on the more important political issues, such as statehood. I think that Livnat and I are very different from this type of woman.

[HA'ARETZ] It is customary to think that women are better in the practical side of politics, less in the ideology.

[Dayan] I do not feel this way.

[Livnat] I am not sure.

I reminded them of two similar pronouncements that a man and a woman, members of the same party, made and I asked their opinions of the political benefits of these pronouncements. One pronouncement: Yosi Sarid's harsh attack on 'Ariq Sharon in HA'ARETZ two weeks ago. Sarid determined there that Sharon's hands are not cleansed of the blood of those killed in the war in Lebanon. The second pronouncement was by Shulamit 'Aloni. She blamed Rabin for boasting that he arrests and expels more Arabs than the Likud.

[Livnat] Both of them intended to help their party. But, when Sarid attacks Sharon, this is entirely to be expected. Regarding 'Aloni, I am certain that, first of all, she acted out of panic, after it became clear to her that there is no longer any difference between Labor and her party, MERETZ [expansion not given]. But, it may be that she comprehended also with a practical feminine intuition that if she blamed Rabin for being more extreme than the Likud, she might help him cultivate those elected to Likud.

[HA'ARETZ] Meaning?

[Livnat] Not that women are born with more intelligence, but, in reality, it is much difficult for women to advance in politics, and to do so, they must prove their excellence, much more than the men.

[Dayan] I do not accept this. I think that the two of them essentially expressed themselves according to what they believe.

[HA'ARETZ] What about the substance, itself, including opposite declarations of Sharon and others, according to which Sarid and the like are essentially "PLOist" traitors?

[Dayan] Sharon's hands are not defiled by the blood of those killed in Lebanon, and Sarid is neither a traitor nor a PLOist. But, it must be understood that there is a fundamental and real debate. A debate between the two main camps, camps with a gulf between them.

[HA'ARETZ] And does this mutual delegitimization seem acceptable to both of you?

[Livnat] This is the reality. When I came to the Knesset for the first time, I was astonished to see that the people arguing so heatedly at the platform sit down afterward in the cafeteria, eat, drink, and laugh like best friends. But, in time, I got used to it. In politics there is vigor, that is a fact.

[HA'ARETZ] Perhaps the attempt to present polarization sometimes is used to camouflage the fact that the gaps are much smaller? For example, between the two of you?

[Livnat] It is a terrible mistake to think so.

[Dayan] Based on what do you say this? Unless your impression is because we are not, at the moment, raising our voices.

At this point, I reminded them that, according to the Likud's right-wing indicator, Jordan is the Palestinian state. The most left-wing indicator in Labor does not deny the fact that 70 percent of Jordan's inhabitants are Palestinian, and only says that the populated areas of the West Bank should be added to the Palestinian-Jordanian state. I asked if this is an ideological difference that cannot be bridged.

[Livnat] Definitely. Because the difference is between territorial compromise and no compromise.

[Dayan] I totally agree.

[Livnat] I represent a movement that believes that you do not hand over parts of the homeland, and that this is an ethical principle of the highest degree. Ya'el does not accept this.

[Dayan] Right. Because the identity of a people is not connected solely with territories of the homeland. It is

much deeper than that, especially since we are speaking of the homeland territories of two peoples.

[HA'ARETZ] By the way, is the Golan part of the homeland ground?

[Livnat] No. But not even Labor proposes returning the Golan to the Syrians.

[HA'ARETZ] Then here is a common point. Despite opposing principles, your parties are united in the matter of not returning the Golan, which is not homeland ground.

[Dayan] Pardon me, but it is simply distorted to present it this way.

[Livnat] I agree.

[HA'ARETZ] So, both of you are certain that in three more months a united national government will not be established.

[Dayan] How would it be established? One minute later, Rabin would demand a halt to settlements and it would explode.

[Livnat] I have not heard anyone on our side who wants such a government.

[HA'ARETZ] But the Shamir-Levi agreement deals with this possibility. And Arens is already angry about the possible injustice against him in the framework of a unity government.

[Dayan] Not one of the signers of the agreement are certain how the elections will really end. You can be sure that I will vote against such a government.

[Livnat] I will as well.

[HA'ARETZ] I am trying to figure out the differences between you with questions on society, economics, and I am not succeeding. Could you maybe help me?

[Dayan] I think that the differences are enormous. And they are derived from the order of preferences. There are difficult social problems. There is the immigration from the Soviet Union. Then, whoever divides up the budgets and determines the order of preferences also answers the socio-economic questions. But, it is true that it is impossible to separate these questions from the peace process. If the Likud invests a huge amount of the budget in the 100,000 West Bank residents at the expense of five million residents of Israel, this is also the social policy. If it does this despite the fact that 400,000 immigrants have arrived and it essentially causes immigration to halt and unemployment, then that is the socioeconomic policy.

[Livnat] I think that it is demagoguery to present it in this way. The investment in construction in Judea and Samaria does not differ at all from the investment in housing in any other place. In most cases, it is also cheaper, because the cost of the land is lower. Aside from

this, the construction there came after it became clear that there is excess housing in the Galilee and the Negev. No one today is complaining that there are no housing solutions for immigrants or young couples. Sixty percent of the immigrants have also found employment. All this in a country that, within two years, increased its population by almost 10 percent. I do not think that there is another country as crazy as this in the whole world. And, by the way, during the 1980s, the economy produced 27,000 jobs every year. In the last year, three times that. Is that nothing?

[HA'ARETZ] You are both arguing about the execution, and that is legitimate. But do the Likud and Labor represent any different socioeconomic perceptions?

[Livnat] Labor is socialist and they stand for an organizational economy.

[Dayan] Not true. We stand for a free economy, but a socialist one.

[Livnat] The Likud is much sharper. It is for a free economy and market.

[HA'ARETZ] And what is happening in reality? Doesn't the Likud intervene in the economy?

[Livnat] It is true that the Likud does not always succeed in carrying out what it wants, and, perhaps, does not do enough, but its direction is clear.

[HA'ARETZ] What are your opinions about the possibility that people from Beyt She'an, Qiryat Shemone, and other places would mistakenly ascribe the two of you in the same party?

[Livnat] I would not boast that our party's situation, after the David Levi episode, is sympathetic. But, the truth is that they took a problem that is not basically ethnic and does not represent discrimination, and they tried to present it as if it were so. It perhaps does not enhance us, that which happened, but if the Likud were to turn back the voting, as happened in MERETZ, all as if to elect an Arab who, in the end, they also stick in an unrealistic spot, then the Left would skin him alive.

[Dayan] I am, first of all, happy that Levi did not leave.

[HA'ARETZ] Why?

[Dayan] We are not built on Likud voters. I am simply happy, as an Israeli citizen, that another ethnic party, such as TAMI [Traditional Movement, Israel] and SHAS [Torah Observing Sephardim], was not established. That is, a party that ran on a negative basis.

[Livnat] I accept that.

[Dayan] But there are subterranean currents that derive from real discrimination and poverty. And they go much beyond the internal party concern.

[HA'ARETZ] And do the two of you have answers to these currents?

[Dayan] This is a very large group of Likud voters that is not at all bound to the foundation of Livnat's nationalist outlook. They left MAPAI, because they wanted to belong somewhere, but it is very hard to grow roots backwards. And, truthfully, when the Likud sings the BEYTAR [expansion not given] hymn, then Limor sang and Professor 'Azran did not.

[Livnat] I think that we are talking about a very small group. We always knew that we have some with us, like 'Azran, who do not sing.

[HA'ARETZ] But they claim that they are your electoral foundation.

[Livnat] They are only a small part of the foundation. There is a big difference between people like 'Azran and David Levi, who has deep roots in the Likud.

[Dayan] In my opinion, there is simply no connection between Jabotinsky's law and that which some of those from the eastern communities are seeking in the Likud. I think that this glue is coming apart. It is no coincidence that David Levi is a political moderate. He, by the way, is the only one among the current Likud leadership who was in favor of the Camp David accords, the only one among them who supported the exit from Lebanon. He knows very well that the true equation is either Jenin or Beyt She'an.

[HA'ARETZ] But that is not what he expressed in the last two weeks.

[Dayan] Because this choice had not yet come out strongly enough. But it is only a matter of time before it appears.

[HA'ARETZ] Will there be subjects in the Knesset on which you will be able to work together, with or without a unity government?

[Livnat] First of all, persuading women, and do not disregard it, for before you sit almost one-quarter of all women MKs of the next Knesset.

[Dayan] We can also try to cooperate on subjects such as changing the system of government and limiting the power of the orthodox. And you already have a promise that we will vote together against a unity government.

[Livnat] I, in any case, wish Ya'el luck on getting elected to the Knesset, even if she is the last on her slate.

[Dayan] I wish her luck on being elected and know that she will not be the last.

Blending of U.S., Israeli Technologies

92AE0337A Tel Aviv HA'ARETZ in Hebrew 10 Apr 92 pp 4-5

[Article by A. Kaspi: "What Is So American in the American Technologies"]

[Text] This has been perhaps the most secretive conversation that I have held in my life. He was an executive in the field of marketing and manufacturing of Israeli weapons. His life is being led on the U.S.-Israel line. The conversation took place long before the latest episode, and that is almost all that I am allowed to tell. The man had me swear a thousand oaths not to divulge the details of the conversation. He was too scared.

This was a strange conversation. He spoke a great deal, on the condition that I would not write even one detail that could lead to him. It is difficult for me to understand why he chose a reporter for this confession. He described a system that deals with cheating the Americans, when, in some of the fields, the American officials know that they are being deceived and they look the other way—a type of understanding that they do not discuss. There were cases in which forged documents were supplied in order to save Israeli colleagues who were discovered by chance. He spoke of a phenomenon and not of isolated instances: an Israeli fraternity, representatives of private and public Israeli organizations that operate in the United States and collaborate in order to protect one another. They have become so used to deceit that, from time to time, they even fool the Israeli system.

I asked, why do you do this?

He answered: That is my job and that is what is expected of me.

And what will happen if they catch you?

I have prepared a complete file. I am covered.

There are documents that, perhaps, would cover you in Israel, but not in the United States.

He was silent.

I thought about the "guys" who learned to discern between "filching" and "stealing," who cheated on exams in high school and, later, at the university, who "supplemented" equipment in the army, who know how to get by. Many years behind bars await this man if he is caught in the United States.

To tell the truth, I like the man, him and his Israeli hutzpa of which he is made, but I would not want to be in his shoes. Currently, the U.S. Government is in his pursuit. The story of the "technologies" is another type of dividend that we are paying for the foolish deeds in the territories. Whoever has feelings of guilt, let him invest them in the settlements. The day will come when we will erect a monument to Shamir, Sharon, Arens, and the rest of the wise guys who run this state, from the hollow scrap-iron that is left over from the Israeli industry.

Whoever carefully followed the Israeli military commentators who reacted to the accusations of the sale of American technology would have been able to guess the facts.

The accepted method for briefing reporters, not only on the subject of security, is "not for publication." They satisfy the curiosity of the reporter, but not of the readers. They must learn to read between the lines. They permit only the publication of the conclusions. In such a way, the readers get some concept of the government's position, without the publication compromising the government briefing. From that which was published, it appears that Israel did not sell American weapons to someone to whom it was forbidden to sell, and complete products were not copied, but use was made of the knowledge that was acquired in the United States and of American components in Israeli products that reached destinations that irritate the Americans.

It is not certain that the Ministry of Defense knows about everything that was done in this area. Israeli companies that received authorization to use American components for Israeli purposes may use the components for exported products, may copy a certain component, or sell only the knowledge connected with the product. It is doubtful whether the Ministry of Defense has the capability to check up on the integrity of all of these export deals.

The U.S. Government invests \$63 billion per year in research and development. Approximately two-thirds of that amount, \$43 billion, goes toward military purposes. It is reasonable that the government would want to extract all compensation that it can from these great investments. The contention that the United States is faced with the welfare of the world is a hypocrisy. If the Americans are troubled by the distribution of sophisticated weapons in the world, they can stop its distribution. They were, up until now, the greatest distributors. Was the United States prevented from selling American weapons to Arab or Muslim countries because there were Israeli components in them, or because they were built through consultation with Israeli military people? Dani Nave, spokesman for the minister of defense, said in response to my question, that Israel sells military equipment only to an end user, and this principle falls also on equipment that is sold to the United States. He had no response to the rumors that were spread in the Israeli electronics industry of Israeli components that reached Saudi Arabia inside of American weapons. The danger to Israel's security from the sale of American weapons to Arabs is much greater than the danger to the security of the United States from the sale of Israeli weapons to any source.

The American criticism is essentially composed of two arguments. The first, which is comprehensive, blames Israeli factories for using the components and knowledge which were acquired legally, but the U. S. Government limited their free distribution in the world. The second accusation is the ordinary commercial theft of patent rights.

Behind the American claim is an outlook that is worthwhile examining once. And not only in weapons manufacturing. Is knowledge always the property of its developers? And what is so American about the American technology?

It is difficult today to speak of a national ownership of knowledge. The world of knowledge is an open world. Scientific innovations are endlessly published in scientific publications. Scientists meet at conferences to exchange jobs in a sabbatical year. A million students throughout the world study outside of their own country every year. A third of them study in the United States. Many Americans study in other countries. Scientists from all nations of the world, many of them Israelis, are employed in American laboratories.

Who owns this knowledge? Is the knowledge created in these processes American? Who really owns the knowledge created by an Israeli genius in an American laboratory? And who created the knowledge regarding the American weapons that were tested in Israel? Do not the Israeli military men who ask the questions and demand improvements from the American manufacturer create new knowledge? Could the media debate that took place at the end of last year in the American newspapers regarding the effectiveness of the Patriot have taken place at all without the Israeli experience?

The Israeli world of science and technology is part of the American world. It seems to me that it is impossible to differentiate between "ours" and "theirs" in these fields, any more than it is possible to differentiate the United States from California.

In essence, Israeli researchers learn from the Americans, but also contribute to American manufacturing. The entire language of communications of Israeli science is American. And most of the standards in our sophisticated products for military use are adapted to the customary standards in the United States.

An Israeli defense factory that developed a product based on American components for domestic use has a difficult problem. There were instances where, in order to uphold the American restrictions, Israeli companies produced two parallel products—one for export and one for the domestic market.

Essentially, whoever wants to forbid Israel from using American technology is proposing that we close down the business.

As long as the American officials ignore the sophistry of the Israeli manufacturers, and as long as it is impossible to catch the Israeli companies that are doing this, it is definitely possible to understand them. In contrast to what some people think, the business world does not run according to the rules of "fair play" of British gentlemen. Neither does the American business world. About a year ago, the Kodak Corporation was ordered, in an American court, to compensate Polaroid by \$925 million,

because it manufactured cameras based on Polaroid's patent for the development of instant photographs.

The Americans also blame Israel for stealing patents owned by American companies. Patent theft is now the trademark of the economy of the Far East. There, they copy everything possible in the realm of consumer products. Western companies have learned that the institutionalized administration of patent registration is not worth too much against the flood of imitations, and that they must build up the marketing of a new product quickly, so that the investment will pay off before the copiers manage to be alerted.

Here, too, there is a basic question, whose answer is less clear than would appear from the first glance. At what point is the producer of the knowledge also its owner? When does the knowledge become public property?

The patent laws assume that only the creator, or the company that finances him, is entitled to enjoy the fruits of a technological improvement. But, a technological improvement that was made in one laboratory is, in many instances, a continuation of an endless number of improvements that were made in other laboratories. The flood of information and the fact that everyone essentially learns the same things in the same universities results, more than once, in a situation where at opposite ends of the earth very similar solutions to the same problems are developed. Is only the one who was quickest to register the latest development at the American patent office truly the sole owner of its rights? Do the companies that currently manufacture atomic weapons pay royalties to Albert Einstein's descendants? And what of the American space agency—has it received permission to use the theory of relativity?

This question has no moral answer. The question is general. The knowledge becomes general property in a modern society. Just as land is recorded with a property recorder, inventions are recorded at the patent office. Communist regimes in the former Soviet Union and current China tried to cancel ownership of private property and, with it, ownership of manufacturers' rights. Cancellation of manufacturers' rights, which was ideologically justified, made possible the free use of inventions and technologies that were created in the West, without permission or the payment of royalties.

Milton Friedman, the ideologist of the free market, and the sharpest opposer to communist thought, reaches similar conclusions from the opposite direction. He doubts the social benefits of patent ownership. Ownership of knowledge creates a monopoly, because it prevents competitors from creating an identical product, and creates a distortion in the mechanism of free competition. Friedman recognizes the need to compensate the inventor or manufacturer for his creation, so that the investment in research and development is worthwhile. But, he proposes significantly reducing the period of patent protection, which, in the United States, lasts 17

years. The "inventor" of the supermarket, claims Friedman, made a contribution to the world for which it is impossible to record a patent.

There are scientific areas, such as the development of medication, that are covered by patents from head to toe. There are areas like psychology, economy, and the rest of the social sciences, in which it is impossible to record a patent.

From time to time, those with an economic interest dominate knowledge that was developed as pure science, and they find economic uses for it. In such a way, individuals become rich at the expense of knowledge that others created and made available for all of humanity.

The attempt to potentially protect the rights of the inventors of patent developments stops the technological and scientific development of human society. If there were no such protection, a scientist could continue tomorrow morning from the same point that someone else reached today. From the moment that a patent is registered on some scientific development that was made in the laboratories of General Dynamics in the United States, the entire world is prevented from continuing development for a generation. The company managers can do whatever they feel like with this knowledge, including destroy it. If the Israeli aircraft industry reaches a similar development and tries to use it, they will be sued. In order to ensure the world's current rate of technological development, we must enable a laboratory in Tokyo to continue that which was started at the Weizmann Institute in Rehoboth.

A story is told of Menahem Begin, in his good days, that he stood in Malkay Yisrael Square and whispered to tens of thousands of his followers: "I will reveal a secret to you that you should not tell to anyone." In the United States, they do not understand, perhaps, that the transfer of weapons and knowledge to another land is similar to revealing a secret in Times Square in New York. It is impossible to hold the rope at both ends. The U.S. Government is interested in acquiring political power and increasing its power through the weapons that it supplies to other countries. At the moment that it does this, it destroys control of the knowledge.

The leaders of the United States are the most pronounced preachers of the "free market." One of the strongest arguments in support of the "market" is that no central government will be able to plan the economy of an entire country and oversee it effectively. Today, there are Americans who wish to oversee the production and market of the entire world from Washington. The only way is for them, themselves, to stop dealing in weapons.

Plans, Technologies of Israel Space Program

92AE0306B Tel Aviv HA'ARETZ in Hebrew 27 Mar 92 p B4

[Article by Yosi Melman; based on interview with Professor Dror Sadeh; place and date not given]

[Text] In a few months, the third Israeli satellite in the Ofek series will be launched, and the Israeli space program, which already received a push following the Gulf War, will speed up even more. In that war, Israel was forced to rely on the satellites of the United States to receive aerial photos of Iraqi military activity and warning of scud missiles launched in the direction of Israel. Israeli helplessness during the war is now stimulating Israeli ambition in the field of space.

The high point of the program will come in the year 1994, when the French Ariane missile carries the Israeli satellite Amos into space. In contrast to Ofek, Amos is a geosynchronous satellite, and satellites of this type are considered the most advanced in their field. Defense Minister Moshe Arens has on several occasions declared the urgent need for a reconnaissance satellite that will make it unnecessary for Israel to rely on the United States. From his words, and also from the implications of officials and scientists who are active in the space field, it is possible to get the impression that we are speaking here of one of Israel's most expensive projects, one in which at least a billion dollars will be invested over the coming years.

Within the Israeli communications and defense system, some voices of opposition to the program's ambitious scope have been heard, but most have fallen silent, apparently because of Arens' line. One of the few ready to come out openly against the program and the intentions of the system is Professor Dror Sadeh of the Physics Department at Tel Aviv University. His criticism is surprising. During the years 1983-1988, Professor Sadeh was the director of the Israel Space Agency, the body officially responsible for the project. In his opinion, there are signs which show that the project, in its present scale, is "megalomaniac." It is several times bigger than Israel's technological capacity and financial resources allow.

The Israel Space Agency was founded in 1983 to coordinate and serve as an official address, a kind of umbrella, for all the institutions in Israel that had already been working for 30 years on outer space research. From this standpoint, it is possible to find a bureaucratic resemblance between the Space Agency and the Israel Atomic Energy Commission.

In 1952, Israel set up the Israel Atomic Energy Commission and, after a short time, also officially announced its existence. After three years, Israel received from the United States the small research-oriented atomic reactor at Nahal Sorek, and in 1957, France gave the large atomic reactor in Dimona. All those years, and even afterwards, Israel's official spokesmen claimed that the creation of the Atomic Energy Commission and the building of the reactors were for "peaceful purposes." But foreign publications have been speaking for two decades about the reactor in Dimona as Israel's atomic weapons production plant.

When the Space Agency was set up, official spokesmen for Israel claimed that its purpose was to aid in developing scientific research, reinforce international scientific ties and cooperation, and utilize research knowledge for civilian projects. In this realm, it is possible to include joint research conducted by Tel Aviv University and NASA, the American space agency, in the framework of which bees will be sent into space this summer. Setting up the Space Agency also made it possible for Israel to receive communication channels in space a little before most of these were parceled out by the International Telecommunications Agency. This international agency is responsible for cooperation and coordination between the nations of the world. The United Nations also published a regulation requiring countries sending up rockets and satellites to be protected by third party insurance, so that if a rocket, satellite, or their parts fall into a country's air space and cause harm to property or life, there will be somebody to take responsibility for the accident and pay the victims.

But space research, like other scientific fields, has a double application: civil and military. In the civil realm, the satellites serve communications needs: carrying television broadcasts, telephone conversations, etc. Another kind of satellite sends weather information to earth. Actually, Israel sent a little satellite into space in 1961, the Shavit-2. The launch came near the time of elections to the Knesset, and accusations were heard then that this was nothing but a campaign ploy by Mapai. But only after 27 years was a serious attempt made, which represented Israel's entrance into the space age and the unofficial but prestigious club of nations which have proven their capacity in this field. On September 19, 1988, from the Israeli launch site at Nahal Sorek, a rocket of the Shavit type (which, according to the international press, was a modified version of the Jericho) carried the satellite Ofek 1 into space. Shavit put Ofek into an elliptical orbit around the globe at an altitude varying between 250 to 1,000 kilometers. After it had circled the earth as planned for three months, Ofek burned up on reentry into the atmosphere. After 1 1/2 years, on 3 April 1990, Ofek-2 was launched. The launch's timing was interpreted in the international media as Israel's response to the war threats of the president of Iraq, Saddam Husayn, who had announced that if he was attacked he would burn half of Israel.

Foreign experts in international communications were not especially interested in, and certainly not amazed by, the satellites that were launched. They were more interested in the rockets that launched them. In order to send up a satellite and put it into a fixed orbit around the earth, a very precise rocket must be developed. The two launches demonstrated, according to world experts, Israel's ability to develop this kind of precise rocket. International communications saw in the two launches another level in Israel's efforts to strengthen its deterrent capacity. In foreign press articles the explanation has been suggested that these are clear signals meant to prove to the Arab states Israel's rocket superiority over them.

But since the Gulf War, Israel is trying not only to deter but also to use the space research for intelligence needs. The upcoming launch of Ofek-3 is apparently another step on her way to ownership of a photography satellite in space for military purposes. Former Science Minister, Yuval Ne'eman, and director of the Israel Space Agency, Professor Aqiva Bar-nun, confirmed recently in the American periodical "Space News," that Ofek-3 will have excellent staying capacity in space. It will apparently stay up for more than three months, the same time that Ofek-2 stayed in space. Unlike the two previous times, this time they also intend to place a telescope in the satellite. Another of Israel's telescopes, for scientific purposes, sponsored by Tel Aviv University, will be installed on a Danish satellite, and launched in 1996 using a Russian rocket.

In the military realm, a spy satellite can supply the country launching it with vital photographic information about what is happening in enemy territory. Without a satellite, that country would have to send its pilots on low-flying reconnaissance flights that endanger their lives. For a satellite, as opposed to a plane, it is no problem to take pictures in countries far from Israel, like Iraq or Iran. The photographic quality from a satellite is equal to what a reconnaissance plane can provide, but the satellite supplies the photo faster and in real time. There is no longer a need to wait until the plane returns from its rush over the area to be photographed, and the film is sent to the laboratory for development. The satellite's telescopic camera sends signals that are received by the ground station and translated instantly into a picture.

Because of all these advantages, Generals in the IDF (Israel Defense Force) and the Defense Minister came out last year in favor of Israel's acquiring her own spy satellites. But one gets the impression from their words that this will supply most of Israel's intelligence needs. This is where Professor Sadeh disagrees. He maintains that even with a spy satellite, Israel's capability will be limited. The United States, for example, invested almost 100 billion dollars to reach the highest capacity in space that lets her obtain military information and monitor military sites using satellites. According to Sadeh, it would take three satellite systems to do this.

A geosynchronous satellite. This is a satellite that hovers at a height of about 30,000 kilometers, and without moving, is able to look at a certain point on the earth's surface with the help of a high-powered telescope. With its thermionic instrumentation, the satellite will also be able to examine the sources of heat escaping from that point and distinguish—within fractions of a hundredth of a second—between the heat of a missile launch, a bonfire, or a spark from an exploding bomb. American satellites of this type were responsible for supplying early warning of the scud launches in the direction of Israel. Based on these warnings, Israel's alarm system was activated during the war. The warnings were passed on in the beginning, using communications and relay satellites, to American ground stations, and from there to

Israel. In the final stages of the war, the American warnings were passed directly to Israel's ground station, and so gave Israel a little more time to prepare. The weakness in the geosynchronous satellite is that because of its tremendous distance it is not able to see every point clearly and accurately.

Low-flying satellites. Satellites of this type, of which Ofek is one, fly at a height of about 300 kilometers and can see targets well. But their weakness is that they cannot stay in one place, and move quickly. They circle the globe every 90 minutes. Every rotation they make in orbit is different from the last. For example, if on a certain rotation, a satellite of this kind passed over Turkey, on the next rotation it might pass over Russia. Only every four, or every 20, days will the low-flying satellite be able to fly lower to repeat to its exact original orbit. In other words, if a certain country wants to know what is happening in a certain region, it can receive photos from there once every four days or 20 days. Beyond that, to photograph precisely targets like tents, vehicle movement, or movement of human beings, at least six low-flying satellites would be needed.

A system of communication satellites that will connect the geosynchronous satellites with the low-flying satellites and their ground stations. Professor Sadeh points out that if we add the cost of the ground station and telescopes to the three satellite systems, "we are talking about a project that is beyond Israel's technological and financial capabilities." In his opinion, Israel must concentrate only on a space program that suits her interests, and fills her limited needs, and not be seduced into ambitious and megalomaniac projects. Israel will do best not to forget the Soviet lesson. The USSR was dragged into a hopeless race in space against the United States. It enslaved many of its economic resources to this goal, and collapsed in the end."

It is hard to get exact data from official spokesmen about the investments in the space field. The aeronautics industry, which is building Amos, the geosynchronous satellite, has already invested more than 300 million dollars over the last decade. The defense ministry and research bodies, both inside and outside of universities, have also invested certainly almost 100 million dollars, and it seems that if the Minister of Defense realizes his intentions, Israel will ultimately invest more than a billion dollars in her space program. "Israel," Dror Sadeh goes on, "should continue to be involved in space research, but she is not capable of investing enough to insure her inhabitants, through the space program, full defense and early warning in the next war, if and when it breaks out. Whoever thinks that is fooling himself." In his opinion, Israel must be ready and able, in the hour of need, to launch a low-flying reconnaissance satellite, to supply pictures of distant enemy territory, but not an entire system like the United States has, "capable of supplying information on any object the size of a soccer ball moving on the face of the earth, every hour of the

night or day. If we are careful to retain good relations with the United States, we can make up any lack with their help."

In his words, he knows from his own past experience, when he worked as a researcher in the space research laboratories of the American navy, that if Israel would behave as a colleague, she would find herself being given special consideration by the United States. In Sadeh's opinion, the deterioration in relations between the two countries in recent days actually strengthens the approach that says that if you work together instead of fighting, you get almost everything you need.

Aircraft Industry Upgrades Said Competitive

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p B3

[R. Pundak: "Give an F-5. Take Away a Twenty-first Century Aircraft"]

[Text] The landing of an American Air Force F-15 aircraft at Ben-Gurion Airport, which is planned for this afternoon, and the ceremony for bringing the fighter plane into one of the giant hangars of Aircraft Industry, in which a delegation from the United States will participate, gives the sense, to a certain extent, that it is business as usual with the Americans.

The arriving aircraft is the first of 60 F-15 aircraft that the Americans are operating in Europe. The aircraft are supposed to undergo a lengthy procedure here, which will include the renovation and installation of upgraded systems in the maintenance unit of Aircraft Industry, which was awarded the program at a development center where several European countries competed.

The choice of Aircraft Industry as the contractor to accomplish the work proves that the Americans are of the opinion that the Israelis have the tools and the capability to perform the work at least at the level required by a similar plant in the United States, for they would not compromise on the quality of workmanship of their fighter planes.

This assumption indeed is the cause of great satisfaction in Aircraft Industry and in the defense department, but it is contributing to the provocation of an increasing anger toward Israel by the American defense industries. They are not indignant over the fact that the program was actually awarded to Israel and not to a company in the United States, according to the order of the United States Army, the U.S. Air Force must perform the procedure in the area of operation of the aircraft, that is, Europe. Israel is considered, for these purposes, a part of Europe.

Nevertheless, it is now already clear that many in the United States are supportive of a change to this agreement and a transfer of the renovations to the United

States. However, other upgrade jobs that Israel is performing on American aircraft throughout the world has stirred up anger.

Not in vain is the Aircraft Industry considered one of the better companies in the world for aircraft renovations and their upgrades. With the help of the experience of dozens of years of work with the Israeli Air Force, the knowledge that was acquired with the development of the Lavi aircraft, and the technological capability of Israeli companies, such as Elbit, Aircraft Industry has become an expert in the area of upgrading fighter aircraft. This expertise, which makes it unique among many other industries in the world, expresses itself, among other ways, in the return of the aircraft to flight following accidents that were usually considered to be beyond repair.

The crowning achievement in this sphere is the aircraft Qurnas-2000, an upgrade program of the outdated Phantom aircraft of the Israeli Air Force, and their conversion to platforms that could continue to serve as first-line aircraft for many more years. Currently, Aircraft Industry is supplying the Israeli Air Force with an aircraft in which they are installing new engines and transplanting modern avionic systems based on Israeli technology, as well as new electronics, radar, computer, navigation, electrical wiring, and weapons systems, some of which are strictly Israeli developed and others purchased in the United States.

The bargaining chip of the Israeli Aircraft Industry in the competition for the upgrade market of American aircraft is that its improved systems have been purchased and flown by the Israeli Air Force.

Why buy a new and expensive American aircraft, ask the Israeli marketing personnel, when we can upgrade the Phantom aircraft in our possession to the level of 21st century aircraft.

In other places the Israelis propose other deals as an alternative to purchasing expensive American aircraft: thus it is possible to purchase cheap, old Kfir aircraft from Israel, which are motorized by an American engine, and the Israeli defense industry will upgrade them, integrate advanced avionics into them that were developed—with American money—for the Lavi, add air-to-air and air-to-ground missiles to them, which are the product of Israel developed in the Combat Means Development Authority [in Israel] with money turned over for this purpose by American foreign aid to Israel.

Nevertheless, the American defense industry is finding it difficult to compete and even harder to adjust to the fact that Israel has proposed to the air forces still using the outdated American F-5 model aircraft to turn those, too, into modern aircraft. Even though Israel has never possessed an aircraft of this type, so the U.S. companies complain without reason, Israel has the nerve, nevertheless, to compete against an American manufacturer.

The Israelis read the map of the market well. There are many navies in the world in which this outdated aircraft is operated, especially in countries that do not have the means to acquire an advanced aircraft, such as the F-16 or F-18.

The Israeli upgrade package is, therefore, very attractive, both from the point of view of the price and the result, and the customer also can examine the new systems on an advanced aircraft, such as the Lavi, which holds test flights to examine new systems and to demonstrate their operation.

In the meantime, the F-5 marketing campaign is gaining greater success than that of the Phantom, and there are already two countries for which Aircraft Industry is upgrading aircraft. The Elbit corporation also is entering the market for the upgrade of these aircraft, but, due to differences of opinion with Aircraft Industry, it is joining a foreign contractor on the program.

The Americans are rebelling at the sight of Israel's competitiveness with American companies that are fighting for their lives. Not only does the United States grant Israel millions of dollars worth of weapons and military equipment every year without compensation, they say in the American defense industry, and make possible the budget transfer in shekels to subsidize the Israeli defense industry, but it must also compete with this industry. And the Americans even find the Israeli defense industry wrestling with them in almost every arena of operations, even removing them from business deals in the United States, itself.

In the matter of the upgrade of aircraft, indeed there were no leaks, and no crisis in relations between the two countries took place, and, essentially, we are referring here to damaging the American prestige more than stealing technology.

But, the fear is that, in contrast to the Israeli hope for "business as usual," the Americans are likely not only to impose limitations and put pressure on countries throughout the world not to purchase Israeli upgrade packages, but even to destroy the F-15 aircraft renovation program; this is supposed to continue for five years, and the Americans have the legal right to change it every year.

MOROCCO

Effects of Labor Leader's Trial on Politics

92AF0688A London AL-SHARQ AL-AWSAT in Arabic
14 Apr 92 p 13

[Analysis by Talha Jibril]

[Text] Rabat—The trial of union leader Noubair Amaoui has recently gripped the Moroccan political arena. Amaoui appeared last Wednesday before the court of first instance in Rabat. It was decided that the court would continue its sessions next Monday. The

incident has gained importance because Amaoui is the secretary general of the Democratic Labor Confederation (CDT) and a member of the political office of the opposition Socialist Union of Popular Forces (USFP).

Amaoui was charged under the Moroccan Press Law with slandering and insulting the government following comments he made in Rabat to a correspondent of the Spanish newspaper EL PAIS. According to the judicial police report, Amaoui described members of the government to EL PAIS as "a group of thieves who have no future," adding that "stupidity had taken them to the point where they do not consider us citizens, whereas we consider them foreigners. The worst of it is that the day will come when they will not find a boat to transport them out of the country."

The judicial police report stated that Amaoui, who was interrogated twice, stated that he bears responsibility for the content of the press interview with the Spanish newspaper. After a meeting, the Moroccan Government decided to initiate judicial action against Amaoui, because his statements are subject to punishment by law.

The Moroccan Government was concerned about taking its judicial action according to customary legal procedures. Amaoui was interrogated twice by the judicial police in Rabat after having been taken from his home in Casablanca. He was then released, because Moroccan law does not stipulate detention if the insult and slander is effected through the press. The law was also respected regarding the date of his court appearance.

In the media, the Moroccan News Agency (MAP) reported Amaoui's detention, indicating the same aspects (i.e., Amaoui was being investigated because of statements attributed to him). It also carried a report on the trial. Newspapers supporting [the government] published news of the detention based on the official news agency's reports. However, the opposition newspapers treated the matter differently. AL-ITTIHAD AL-ISHTIRAKI, the mouthpiece of the USFP, to which Amaoui belongs, published a brief report the day after Amaoui's arrest. However, it subsequently treated the matter as a major story and a subject of editorials. The newspaper considered Amaoui's trial tantamount to a trial of the USFP and the CDT (which supports the USFP).

AL-'ALAM, the mouthpiece of the opposition Istiqlal Party, dealt with the matter exhaustively, especially after the trial date was set. It coordinated with the position of the current Istiqlal Party-USFP alliance. The same applies to ANWAL, a newspaper put out by the Popular Democratic Action Organization (OADP), a radical party in the alliance of opposition parties.

The fourth opposition party, the Party for Progress and Socialism (PPS), which has long been in the alliance of the opposition parties, treated the matter in yet another way. The party's political office issued a communique

criticizing "Amaoui's arraignment." However, it indicated that "his statements had no echo." The party called for a suspension of the judicial prosecution.

Politically, the circumstances surrounding this case derive their importance from two factors: Amaoui's position within the opposition and within his own party; and the trial's timing.

Several observations can be made about the first factor:

- The USFP's internal conditions indicate that it is the most conservative political organization in Morocco with respect to its internal affairs. However, it can also be said that different currents exist within the USFP.
- Amaoui is considered an extremist within the party. His ascent to the political office in the party's fifth convention in the spring of 1989 is an event in itself.
- Amaoui represents a non-conciliatory current nicknamed the "point of order" current, in reference to its customary manner of input. USFP moderates characterize his current's supporters within USFP as inflexible and narrowminded, while the extremists regard his current as a sign of "vitality."
- Although members of the USFP consider Amaoui intractable, they—even the moderates—nonetheless agree that he has been able to strengthen the CDT vis-a-vis the Moroccan General Labor Union [UGTM], Morocco's oldest union.

Regarding his personal biography, Amaoui—with his thick mustache, penetrating gaze, and broad shoulders—represents a group that has reached the leadership of a political organization based on practical experience. He has been arrested a number of times. He used to work as a teacher in Rabat. He subsequently was promoted to education inspector. He was arrested for the first time in the city of Khouribga, a labor city where Morocco's most important phosphate mines are located. Following that, he moved back to Rabat and was arrested a second time in 1972. In 1979, Amaoui was elected general secretary of the CDT. He was arrested again after he called for a strike in 1981. During his interview with EL PAIS, he said that he has feared nothing since his arrest in 1974. He said that he lived for a year and a half in a secret prison that was tantamount to a tomb, "and in that tomb," he states, "we buried fear."

As to the political importance of the trial's timing, the trial coincides with a special year in Morocco, in which a referendum, the amendment of the constitution, and elections are supposed to take place. The referendum is considered a battle for all Moroccans. All Moroccans are agreed on it. Regarding the amendment of the constitution, Amaoui, before his interview with EL PAIS, made statements considered the most vehement of their type to HURRIYAH AL-MUWATIN [THE CITIZEN'S FREEDOM], a Moroccan newspaper. Nonetheless, political circles in Morocco believe that the government and political forces in the country will ultimately agree on amending the constitution. Even regarding elections,

despite the opposition parties' insistence on holding them in circumstances that differ from those of the previous elections, agreement on elections is also expected to occur.

Although Amaoui's positions occasionally aggravate the opposition parties, even his own party, the difference here is that the opposition considers his trial tantamount to a new confrontation with Azzedin Laraki's government. Even the court session mentioned above actually turned into a political exchange of accusations and counter-accusations between the defense and the prosecution, and a trial of the government's policy.

Perhaps Amaoui is well aware that his control over a labor union that supports the USFP permits him to dampen the pressure exerted by the moderates inside and outside his party. In this regard, many have been expecting that Amaoui will join a radical current that broke away from the USFP shortly before elections in 1983. This current, which is headed by Abderrahman Ben Ammar and Ahmed Benjelloun, recently established a new party called the Democratic Socialist Vanguard Party. However, it seems that Amaoui has wagered on strengthening the CDT as a tool that will permit him to buttress his propositions within the party. It is noteworthy that the schism of 1983 occurred before elections, while Amaoui's trial is now also being held shortly before this year's elections, as if history were repeating itself. Some observers of Morocco's domestic situation believe that Amaoui's trial is so important that it will overshadow the coming elections.

The strange difference here, which continues to draw attention, is that statements made by Moroccan politicians to the Spanish press usually generate controversy and perceptible echoes. The statements made by [National] Popular Movement leader Mahjoubi Aherdane to EL PAIS several years ago led to his ouster from the party's leadership and, moreover, from the entire political arena. Amaoui's trial stemming from his comments to PAIS is now expected to cause major reactions, especially if the court convicts him.

Free Trade Zone Plans With EC Continue

92AF0670A London AL-SHARQ AL-AWSAT in Arabic
3 Apr 92 p 10

[Article: "Morocco Has Reservations About Free Zone Project With EC, Which Ties Agreement to Total Political-Economic Partnership Formula"]

[Text] Rabat, AL-SHARQ AL-AWSAT Bureau—European-Moroccan economic relations, which recently faced a crisis, have entered a phase of overall review by the two sides that might lead to the foundations of a strategic economic partnership being firmly established, especially since the European government is trying to get past the repercussions of the decision of the European Parliament to end the fourth financial protocol valued at \$600 million for political reasons. Morocco, for its part, is trying to use this crisis to make Europe understand

that it wants a higher level of economic partnership. After Morocco officially announced at the beginning of this year that it was withdrawing from the financial protocol that the European Parliament had rejected, European officials flocked quickly, one after the other, to Rabat to express to Moroccan officials their sincere regret over what happened, and to try to repair European-Moroccan relations, which had suffered serious cracks. This made Moroccans eager for relations with Europe to ask that these relations be completely reformulated in detail to conform to their ambitions to elevate them, instead of the aid formula, upon which previous cooperative agreements had been based.

The Moroccan Government had maintained complete silence after the decision by Morocco to withdraw from the financial protocol, according to which \$600 million would be obtained over six years. But at the same time, it asked the European Community to postpone the arrival in Rabat of its negotiating delegation, which was to renew the fishing agreement which was about to expire at the beginning of last February. Officials in Morocco intensified their efforts to obtain loans from regional and international financial establishments, instead from the aid of the European financial protocol.

The Moroccan finance minister announced that his ministry had made all the arrangements to finance the projects without need for European aid. The Moroccan arrangements took several measures to stress that the authorities were determined to use the crisis with Europe to convince the European side that they were serious about calling for a review of Europe's relations with it, and to give new impetus to these relations, that would necessarily be, as the Moroccan foreign minister said, "political relations from which the rest of the relations would stem."

In a sudden development, France—which previously had expressed its intention to try to link European aid to various states on the condition that they move towards democratic life and respect for human rights—submitted a proposal to the EC calling for the establishment of a free trade zone with Morocco.

Immediately, European delegations began to arrive in Morocco. Before French Foreign Minister Roland Dumas arrived, Manuel Maran, the delegate in charge of the European merger, had arrived bringing the apologies of the EC leadership, expressing its intention to open a new era and to move towards a phase of cooperation in another form.

Before the delegate in charge of Mediterranean policy arrived in Rabat, Morocco had obtained all assurances that Europe was serious in its intentions to move towards new relations with Morocco.

Moroccan authorities decided to extend the fishing agreement for two months, to express what they described as "good intentions." With that, they paved the way for exploratory talks with the European delegate in charge of Mediterranean policy who was about to

arrive in Rabat. The Moroccan authorities excluded from these talks the clamor of fishermen in Spain and Portugal, who were afraid that more than 700 fishing boats, most of them Spanish, would be mothballed, while the representative of the fishermen's union insisted that the amount of European aid to compensate for the damage from fishermen stopping operations was not enough.

The exploratory talks lasted one day, and that was enough, because statements were issued afterwards, in which the two sides expressed their complete satisfaction that their views on the scope and future of their relations coincided. However, the statements revealed that each side had submitted its proposals on the phases to be agreed upon, because the nature of free exchange, which presupposes a large amount of coordination so that the free exchange would be a factor in joint development and a source of help in setting up a real partnership, not just a competitive market without controls, in order to protect nascent industries in Morocco.

Therefore, debate arose over whether it was necessary to first establish a political partnership. Morocco put forward an initiative that insists on linking the free trade zone to political dialogue between the two sides based on set rules. The dialogue is to be continual, and the EC would recognize it as the basis of its cooperation with Morocco.

In addition to the political dialogue, Morocco proposed that financial and economic cooperation should continue based on a new formula, not the old ones, on the basis that this would propel the cooperation agreement to develop a free trade zone. They would thus end up developing the foundations of cooperation to the same degree as the agreement between two sides to advance the phases of expanding the free trade zone. Thus, this expansion would be the result of integrating the two sides' economies, and an indication that the Moroccan economy was capable of mixing and facing fierce competition. Morocco believes that this progress towards expanding the free trade zone cannot be attained without regular political dialogue that would broaden horizons and overcome the difficulties which might arise in the long run.

Therefore, Moroccan Foreign Minister Moulay Abdelatif al-Filali stressed that his country's relations with the EC do not have to be limited to economic relations. Rather, consideration must be given to the political aspect, which he described as necessary for the development of economic relations.

It is clear that the European side was satisfied with the Moroccan proposals, since the European delegate announced that the political dialogue was extremely important. He even outlined the framework of this dialogue and of establishing a joint parliamentary committee in meetings of the two sides' senior officials.

It is obvious from the direction of political dialogue that the sense of this dialogue is still obscure, because

Morocco believes that the political dialogue ought to be comprehensive, deal with various issues, and take into consideration—as the Moroccan ambassador in Brussels indicated to during a television conference—the role of Morocco and its commitments, in the sense that Morocco would be a partner with Europe in the area of drawing up policies, while the European delegate for Mediterranean policy linked this dialogue to developing areas of cooperation and progress in new fields of scientific and technological cooperation.

Europe is seriously thinking of expanding its membership so that the rest of the European states could join the EC. But besides that, it is looking uneasily at the states of the south Mediterranean, which it cannot get rid of except by facing the truth and recognizing the existence of social and economic problems in these states. It cannot ignore the threat that these problems will pose to the EC if it does not help to solve them.

Within this general framework, political and economic circles in Morocco are thinking about the relations which ought to be established with Europe. They stress that dialogue with Europe must include the situation of the Moroccan community in Europe; compensation to Morocco for ending the immigration policy; and making it incumbent on the European side to bear the burden of protecting fishery resources along Moroccan shores, renewing them and exploiting them rationally as long as Europe is the one essentially benefitting from this vital resource.

But it seems clear that official Moroccan circles still have reservations about the free trade zone, in contrast to Moroccan businessmen. That can be inferred from press releases and comments that have been issued, in which Minister of State Moulay Ahmed Alaoui had a part. He said that the government wanted plenty of time, perhaps much more than the 12 years proposed by the EC for establishing the free trade zone, while company owners believe that five years would be enough.

So far, the concept of the free trade zone, first proposed by the EC apart from any cooperation agreements, is still somewhat obscure, in the absence of fundamental agreement on defining the nature of each stage of establishing this zone. That is because government circles believe that the concept of free trade—if it does not include anything besides the free exchange of goods and services, without customs and without the freedom of movement of persons—would hurt Moroccan interests and exports, which now benefit from several exemptions.

Even though Morocco would benefit from the freedom to export all its goods—without its agricultural goods being subject to a specific time when they can enter the European market, and without authoritative prices—it would lose two-thirds of its income from customs duties on its imports from the EC countries, in addition to the possible threat to some of its nascent industries, which would not be able to cope with competition from European industries.

Therefore, Morocco is anxious that the stages of establishing the free trade zone be combined by an agreement on financial and economic cooperation, because this would help Morocco avoid being harmed by free trade by obliging the European side to enter into economic partnership with Morocco to develop the threatened sectors, along with committing the EC to encourage the investment of European capital in Morocco. That is the formula which will emerge between the two sides instead of European financial aid to Morocco, as was the case previously. Moroccan officials prefer this formula, so as to benefit from the investment of European capital, or the transfer of entire industrial operations from Europe to Morocco in a way that would support the integration of the Moroccan economy into the world economy.

Moroccan sources indicate that the new formula proposed for cooperation between the two sides now brings Morocco decisively closer to EC membership, for which Morocco had officially applied in 1987, surprising observers. However, other circles claim that the free trade zone formula will be as close as Morocco will get to the unified Europe and cooperation with it.

It is now difficult to predict whether the new cooperation formula might meet its goals within a set period of time, comparable to the last period of cooperation which began with Morocco's independence and reached a dead end after 30 years. However, it is undeniable that the Moroccan economy—which was being choked by European restrictions on marketing Moroccan produce in Europe and by turning to distant, costly markets—will find in free trade some natural areas in which to develop its capabilities, since the Moroccan economy is essentially based upon dealing with Europe.

The head of the Moroccan Businessmen's Office, Abderahman Benani (Samiras), expects that Morocco will be in the forefront of North African states that will benefit from the economy of the European giant, similar to what happened to the states adjacent to Japan.

Berrada on Decision To Build Nuclear Power Plant

92AF0789A Casablanca MAROC SOIR in French
22 Apr 92 p 7

[Interview with Mekki Berrada Abdelhamid, nuclear engineering specialist and deputy general director of the National Electricity Office (ONE); place and date not given: "Nuclear Energy for Scientific and Economic Progress: Morocco Will Soon Have Nuclear Power Plant at Sidi Boulbra (Essaouira Province)"]

[Text] For more than 50 years, Morocco has been using radioactive isotopes in medicine and agriculture. Today they are used in geology, industry, veterinary medicine, hydraulic engineering, education, and research.

Thanks to His Majesty King Hassan II's personal concern for the advance of science and technology, Morocco—most of whose human, agricultural, mineral

and energy potential is still undeveloped—is constantly encouraging the development of these technologies for the benefit of the citizenry as a whole.

Moreover, several large projects to apply nuclear technology are even now under way: extraction of uranium from phosphates, site studies for the first nuclear generating plant, construction of the Center for Nuclear Studies, the nuclear regulatory code....

In order to sensitize the public to the many advantages of nuclear energy in all domains of economic activity, Mr. Mekki Berrada Abdelhamid, nuclear engineering specialist, deputy general director of ONE [National Electricity Office], honorary president of the Morocco Engineers Group and founding president of the Morocco Association of Nuclear Engineers, has graciously agreed to answer our questions about the use of nuclear energy in our country, its growth, and the laws that regulate it.

[MAROC SOIR] Why was Sidi Boulbra chosen as the site for construction of the kingdom's first nuclear electric generating station?

[Berrada] An examination of all the documents and information assembled from Moroccan and foreign organizations indicated, given the very large requirement for cooling water (50 cubic meters per second for a 100-megawatt unit), that sites should be sought near the coastal region. That was the first factor. The second important factor in the choice of region was the seismic factor, which affects the structural survivability of buildings and equipment at the generating plant.

The third factor considered was the proximity to large centers of electric energy consumption.

Taking these three factors into account, we were led to pick the Kenitra-Essaouira region as best suited to serve as the site for Morocco's first nuclear power plant.

So the decision was between the localities of Sidi Boulbra and Bir Al Har. Sidi Boulbra was selected as the preferred candidate, following the recommendations of experts from the nuclear site evaluation department of the IAEA [International Atomic Energy Agency], which closely meshed with those emerging from studies of the Casablanca, Rabat, El Jadidia, Safi, and Essaouira regions carried out by the French company SOF-RATOME. I would point out that these studies were done over a period of nearly eight years, and studies of Sidi Boulbra are currently being conducted to confirm the choice.

[MAROC SOIR] How much energy does Morocco need?

[Berrada] Projections estimating the country's future electric energy needs, based on 7-percent annual growth, show that by the year 2005 Morocco will need on the order of 25 billion kilowatt-hours (kWh).

[MAROC SOIR] Is there a capital investment program in place to build that capacity?

[Berrada] The capital investment program to meet this need follows the guidelines of the national energy plan, which is based on massive mobilization of untapped hydroelectric potential, greater emphasis on domestic coal (through increased production) and domestic hydrocarbon resources, exploitation of oil shale, renewable energy sources, and the introduction of nuclear power production.

In principle, the nuclear option could be considered a promising alternative, in part because our phosphates contain uranium and because the cost per kWh of nuclear energy is low.

[MAROC SOIR] What peaceful applications are there for nuclear energy?

[Berrada] There are many such domains. First of all in the field of health, notably in biology and medicine, radioactive isotopes have two very useful properties. They can be substituted for the corresponding stable atoms in a molecule to create a "tracer molecule," which can easily be detected because of its characteristic radioactive emission. Second, they produce radiation that modifies living tissue when interacting with it, a fact that is responsible for the great advances of nuclear medicine, both in diagnosis and in therapeutic applications.

The field of research into soil-plant systems is very complex, and the processes of transferral and migration of water, air and nutritive elements into the soil—and from the soil into and through the plant—cannot be understood using traditional methods of quantitative chemical and physical analysis. An understanding of the concentrations compatible with the needs of various crops, the necessary ratios of concentration of different elements and the interactions between them is of the greatest importance in trying to improve yields, both quantitatively and qualitatively. In the field of veterinary medicine, it has facilitated major physiological explorations and detailed clinical information—in the field of milk production, for example, data on composition of diet, consumption of nutritive elements in the system, hormonal dosages in reproductive management. In industrial radiography, which is one of the most frequently used methods of obtaining information on the internal structure of products. In geology, for analysis in the laboratory and exploration in the field...

[MAROC SOIR] Nuclear energy seems to have applications everywhere. Is there any danger?

[Berrada] Nuclear applications are significantly expanding in our country. Their importance will probably continue to grow in years to come, thanks to the activities of the Center for Nuclear Studies (CNESTEN) and, over the longer term, the introduction of electric energy from nuclear plants. All these considerations led the authorities, from the very beginning, to integrate the regulatory and legislative aspects, which constitute the basis of state control, into the process of planning and implementing our nuclear program, in order to effectively assure the safe operation of our future nuclear

installations and at the same time fill the existing juridical vacuum in the field of nuclear applications and technologies.

[MAROC SOIR] You have spoken of CNESTEN. What is that?

[Berrada] The government of His Majesty King Hassan II, who takes a personal interest in the development of science and technology, has established the National Center of Nuclear Energy, Sciences and Technologies (CNESTEN), with a view to providing infrastructure, an organizational framework, and support of every kind to all such activities. It is a public-sector institution of a scientific, technical, and industrial character, legally incorporated and financially autonomous. It falls under the overall jurisdiction of the Ministry of Energy and Mines, and its headquarters are located in Rabat. It has a nationwide mandate to promote and coordinate all uses of nuclear technologies in the various socioeconomic sectors of the country and to provide support for implementation of various phases of the nuclear electric power program in conjunction with the energy directorate of the Ministry of Energy and Mines. Its skills and resources will be used to provide effective training of the technical personnel needed for the building and operation of these installations, nuclear fuels management, safety analyses and technical inspection.

In the field of public information and promotion of other applications of nuclear technology, CNESTEN plays a fundamental role, in collaboration with the other departments concerned, including Public Health, Agriculture, Industry and Scientific Research.

[MAROC SOIR] What conditions must be met at the national level to build the country's first nuclear electric generating facility?

[Berrada] These conditions, as set forth by IAEA experts, can be briefly summarized as follows:

- long-term justification for the nuclear option;
- the state's commitment to a program;
- juridical infrastructure to deal with radiological protection and nuclear safety, promulgation of the implementing laws, civilian responsibility;
- an electrical distribution network with the capacity and other necessary features to accept additional output, probably at the highest power levels of any on the system when they are put into service, which will be operated at a very high load factor.
- acceptability of the nuclear option to the authorities and the public.

Also, there are conditions for the successful implementation of such a program, including international support to get the project off to a good start, the stability of the program, and of course financing.

[MAROC SOIR] Mr. Berrada, you are the president of the Morocco Association of Atomic Engineers (AIGAM). Could you describe this association for us?

[Berrada] AIGAM was created in 1985. Its main purpose is to maintain and foster friendly and continuous exchange—both for intellectual and professional purposes—between members; to help its members by identifying, in every field of endeavor that involves nuclear energy, the best means of improving the technology; to contribute to the development and diffusion of useful information about atomic energy in Morocco; to facilitate circulation of ideas and exchange of information in nuclear domains; and finally to instigate and maintain contacts, within Morocco and abroad, with organizations whose activities have to do with nuclear engineering.

Its first priority was to survey all ongoing nuclear activities in the kingdom. This was completed in 1987, and a compendium on nuclear technologies used in Morocco was published in 1989. That survey brought us to the realization that there are more than 200 Moroccan nuclear specialists occupying highly responsible positions in various sectors. The task we have laid out for ourselves is to popularize the peaceful use of nuclear energy—more precisely, the radioactive isotopes produced by it—in order to dissipate the fears that we all have about radioactivity. These are understandable, insofar as radioactivity is invisible to the naked eye and is capable of producing real changes that will have observable effects only years later.

Our association, which includes nuclear engineers as well as researchers in nuclear physics and chemistry, is administered by a committee composed of 20 members that works to maintain the scientific character of the association and realize its objectives. Since its creation, it has been affiliated with GIM (Morocco Engineers Group), and it is an associate member of the European Nuclear Society, which includes 14 European countries; in 1991, our association signed a cooperation agreement with France's Atomic Energy Commission (CEA).

[MAROC SOIR] As a scientist, how do you rate nuclear medicine in Morocco?

[Berrada] Nuclear medicine in Morocco has taken a giant step forward. At the conclusion of an April 11 seminar on nuclear medicine organized with the help of CEA officials, we concluded that Morocco is not lagging behind in this field: On the contrary, the Oncology Institute of Rabat, the Ibn Sina cardiological radio-isotope service, and the Anoual clinic in Casablanca are very well equipped and on a par with European centers. However, we concluded that the number of specialized personnel employed in these centers is very small, given the large number of requests for examinations. Some patients are obliged to wait more than three months for a scintiscan.

We also noted an absence of regulations in this domain and requested urgent action to remedy this situation, to prevent a serious accident from occurring in the transport or manipulation of radioisotopic wastes. This regulatory code will soon see the light of day, thanks to the

High Royal Directives instituting the National Energy Council, which is going to resolve all the pending issues, open up new horizons for the national policy of peaceful utilization of nuclear energy, and give new impetus to increased international cooperation in this domain.

[MAROC SOIR] Mr. Berrada, what projects is your association working on?

[Berrada] In years to come, we expect to organize informational colloquia on:

- food and agriculture, with particular emphasis on vegetable and agrochemical production, mutation, animal husbandry, the American "jucilie bouchere" [translation unknown], fruit flies, tsetse flies;
- hydrology, evaluation of underground water sources, understanding their origin, monitoring surface water, leakage and siltation in dams, measurement of flow rates;
- industry, especially the use of radio-isotopes as indicators, utilization of gammagraphy, electron beam procedures, autoradiography, neutrography;
- geology, geochemistry, geophysics and dating;
- the environment, to get precise information on quantities and locations of pollutants, causes of pollution, remedies, etc.

As you can see, Mr. Guennoun, there is much to do.

[MAROC SOIR] What would you like to say to the public?

[Berrada] I would say that our association is ready to organize all these events in order to popularize the use of "atoms for peace." It is doing this out of good will, in the general interest, and above all for the advance of science. It deserves to be encouraged and supported, morally much more than financially. I would like to take this opportunity to thank the honorary members of AIGAM who give us their support, as well as your newspaper, MAROC SOIR, in particular, and the national press in general, which help us communicate to the public.

We note that Mr. Mekki Berrada Abdelhamid was born on 20 September 1933 in Casablanca. He is married and the father of two children. He has certificates in electric and mechanical engineering from the Special School for Mechanics and Electricity in Paris (class of 1959). He was also certified as a nuclear engineer by the Saclay National Institute of Nuclear Sciences and Technologies in Paris (class of 1960).

He joined ONE on 1 October 1960 as an operations engineer for medium- and high-tension lines. He subsequently served as chief of the hydraulic production service, deputy director of production and transport, and director of production and transport. Since 1970 he has served as deputy general director of ONE.

In 1967 Mr. Berrada was decorated with the Ouissam Errida (exceptional class), and in March 1986 he received the Ouissam El Arch (rank of chevalier). In

February 1988, the French Government named him an officer of the National Order of Merit.

Accord Signed With USAID To Finance Family Planning

92AF0790A Rabat ALMAGHRIB in French
24 Apr 92 p 3

[Text] A financial agreement was signed on 22 April between Morocco and the United States Agency for International Development (USAID), under which the agency will provide \$4.3 million in financial aid to Morocco to finance family planning and children's protection projects.

The agreement was signed on the Moroccan side by Tayeb Bencheikh, minister of public health and on the American side by Frederik Vreeland, ambassador of the United States, as well as by the director of the USAID office in Morocco.

On the occasion of the signature of the agreement Tayeb Bencheikh recalled that Morocco has decided to base its policy on the organization of the family, concrete measures for the reduction of the birthrate, and an improvement in the status of women.

The minister indicated that Morocco has taken important steps in terms of family organization. He recalled the results of the census carried out by the Ministry of Public Health, according to which the average birthrate has declined by 4.5 percent, compared to 1990.

Bencheikh stated that the organization of the family has become an imperious necessity in Morocco, emphasizing that women are beginning to play a leading role in the creation of balance and stability within the family.

For his part the United States ambassador to Morocco indicated that President George Bush and the American secretary of state support this aid in view of the satisfactory results obtained, particularly the increase in life expectancy and the establishment of an economic balance through limiting the birth rate.

He stated that USAID has found all of the facilities and assistance necessary in Morocco for the implementation of its program and praised Moroccan women for their understanding of the negative impact of an increased number of births.

The director of the USAID office in Morocco expressed the willingness of the American agency to provide further aid to Morocco for the consolidation of cooperation between Morocco and USAID. He expressed appreciation for the active participation of all sectors concerned in Morocco and more particularly the Ministry of Public Health, which has made praiseworthy efforts in terms of research in the area of the family.

The agreement between USAID and Morocco contains three articles. The first article concerns expanding the use of allowances in terms of the organization of the family.

The second article concerns an increase in the effectiveness of the program. The third article deals with financing of the health sector.

Employment Minister Announces 10-Percent Wage Rise

LD0205170592 Rabat MAP in English 1236 GMT
2 May 92

[Text] Rabat, May 2 (MAP)—On the occasion of the Labor Day, Moroccan Minister of Employment Hassan Abbadi announced in a speech a ten percent rise of workers' wages as of May 1, 1992 in the sectors of industry, trade, agriculture and liberal professions.

Abbadi said referring to labor legislation a draft labor code has been submitted to the parliament, adding that 50 percent of the youth on the dole that applied for jobs was part of the [word indistinct] on [words indistinct].

The recruitment of young degree-holders have found jobs in the public, semi-public and private sectors and in local community departments.

The social welfare services and namely 'La Caisse Nationale de Security Sociale' (National Social Security Fund), he said, disbursed in 1991 more than 1.90 billion dirhams (one dollar is about nine dirhams) in allowances.

On emigration, Abbadi said "several sisterly countries keep on hire Moroccan manpower due to the good reputation and skills of Moroccans abroad specifying that some 20,000 positions are won by Moroccans abroad, annually"

Prime Minister's Performance Criticized

Absences Noted

92AF0708A Casablanca AL-ITTihad AL-ISHTIRAKI
in Arabic 11 Apr 92 p 3

[Article by Nouredin Mofteh: "Institution of Prime Minister Nonexistent"]

[Text] There is no government without a prime minister. The exception to this general principle, which governs all world governments, can be found in our country. The prime minister, as a title and an image, is present, but as a role or institution, it doesn't exist. This is evident when we discuss the government, whose role is becoming nonexistent, since its prime minister is nonexistent.

We have excerpted this article from the speech of Fathallah Oualalou in the Chamber of Deputies, on the occasion of the debate over the prime minister's budget for 1992. The speech points out shortcomings in the

prime minister's work. It will not "discuss the prime minister and his actions, so much as the bases for the institution of the prime minister."

Traditions in democratic countries make it clear that the prime minister in those countries is always present, or rather, is always a member of Parliament. In our country, experience shows that the prime minister is an absentee and has no connection with the Chamber of Deputies, either for debate or to answer questions.

The prime minister is an institution, an absentee institution, and does not play the role entrusted to it by the constitution. Our prime minister does not try to develop this role and, consequently, he does not try to develop democracy in our country.

The prime minister is absent from all institutions, from the press and journalists, from basic political concerns, from dealing—at least in regard to public opinion—with education, labor, investment, foreign relations, housing, culture, and so forth, while the prime minister in democratic countries pursues these portfolios. He is the government's spokesman before public opinion for all these matters.

The entire government's absence from the Chamber of Deputies, its efforts to marginalize it and, consequently, its responsibility for the poor legislative showing in our country, is the first indicator of the weakness of the prime minister as an institution. If the ministers complain about the stagnation of the Secretariat General's actions with regard to the Chamber of Deputies, this can only be considered political obstruction. If there is a technical obstruction, the prime minister is primarily responsible for that. One cannot swallow ministers' complaints over the way the secretary general works, nor can one say that this or that law was ready, but that the Secretariat General pigeon-holed it. This is the responsibility of the prime minister and the prime minister only.

The government lacks qualifications, and many ministers say that they will not undertake any political action. These words are unacceptable and frivolous, because politics is an important concept of morality, and because every choice is political.

Governmental practices, the government's relationship with the citizens, and the government's relationship as prime minister and ministers with the home front and abroad, prove that the government is not carrying out its responsibilities and tasks. There is a kind of absence of balance among the ministerial sectors. If there are political, security, economic, social, training, educational, foreign affairs, preparatory, and technical sectors, and if each sector has an importance and dimension, then there is an assumption that there is a balance in governmental policy among these dimensions. It is also assumed that the prime minister is charged with this balance. However, this is lacking in our country, and this hurts the country with regard to its present and its future.

Many ministries do not work in their field. Of course, there is a ministry that has become a supervisor within the government for many tasks, but is itself impotent, because it cannot play the role of coordinator, starting with its own dimension. This is damaging to the ministry itself.

There are ministries whose duties have been practically and legally reduced. Perhaps, sometimes, even by their own efforts. There is a newly-created ministry that has occupied an office building in order to eliminate its existence legally. However, it still owns shares in state owned companies, which violates the law.

The government hides behind the establishment of legislative councils in order to rid itself of certain portfolios (employment, human rights, etc.). The prime minister is the one who must play the role of coordinator, whether internationally, or in education, or with respect to major problems, such as the unrest that exists among the youth and the university, where it is reaching the point it used to be.

The prime minister does not play a role in dialogue with social activists. Dialogue should not be just once a year, or used for media consumption. Old pictures of the dialogue should not be transmitted, when they have been re-televised many times, even though outdated. Dialogue is a constant listening to demands, a continual search for solutions. It is a search to contain problems before they worsen. Dialogue is respect for unions in their daily practices. Dialogue cannot be the exception that only rules in periods of crises and difficulties because, at those times, it loses its value.

Every year, businessmen wait for the fiscal law to learn what the government is doing. Why doesn't the prime minister talk with businessmen throughout the year? He should play the role of moderator.

The weakness of the institution of prime minister is also revealed in the government's management of its image in urban society. Usually urban society is represented by associations that are primarily independent of the government and of political parties, because their concerns and interests are for issues that concern all of society in its daily life, or which society ponders for its future.

There are associations that the government helps more than necessary, despite the fact that they do not represent the problems of society, while there are other, marginal associations. We shall cite three examples. The first of these, which refuses any assistance, is the Union of Moroccan Writers. It is the most important cultural organization in Morocco and, perhaps, in the Arab world. The union asked for some travel papers for certain writers to fly to the city of Laayoune to participate in a cultural forum to work for mobilization on behalf of the issue of territorial unity. The response was that the issue of the (Western) Sahara was a leadership issue and intellectuals could not understand it. They should stay away from it, because the matter does not concern them.

The second example is the Association of Moroccan Economists, to which all schools of thought belong. There are ministers who are members. The government refused to help them send a delegation to Libya to participate in a conference of Maghrebi economists.

Third, there is a well-known rights organization, the Moroccan Human Rights Organization. One of its Maghrebi training forums held in Rabat was impeded, and a meeting of its branch in Casablanca was forbidden.

These are problems that are surfacing about the institution of the prime minister. The fact is that the solution is not to criticize the prime minister, but the important thing is to seek constitutional reform in our country.

Human Rights Abuses

92AF0708B Casablanca AL-ITTIHAD AL-ISHTIRAKI
in Arabic 11 Apr 92 p 4

[Article by (Ariri) Abderrahim: "92 Deaths as Guests of Government; 1,000 Citizens Tortured, Flogged Each Year"]

[Text] Since the start of Azzedine Laraki's government, true justice in our country has declined. The proof of that is the monstrous abuses that infringe on citizens' rights to life and safety, or their rights of expression and political and union affiliation.

For their part, economic and social rights have not escaped abuses. Unemployment has spread in a shocking manner. Factories continue to fire workers. Courts issue judicial rulings favoring workers, but the rulings are not implemented by more than a few private companies, or rather, even by certain state organizations.

As for housing, education, and the environment, these are rights about which citizens read in legal documents and international accords, but they sense no government initiatives toward making these rights generally accessible.

We will try to shed some light on these rights, so that we might uncover the sickness produced by Azzedine Laraki's government, without taking any action to stop or revert from its policies.

In only three years, 1989-1991, there were 92 deaths at the hands of the government, either from torture on the street, in police stations, or in jails after prisoners went on hunger strikes, or from being shot by security forces in social upheavals, as occurred in December 1990.

The following data is sufficient to expose those responsible, who have never taken action to clarify the facts as to what happened; or to publish the substance of investigations carried out by their agencies, in order to inform public opinion and punish those who caused these unfortunate incidents.

In 1989, 12 were murdered as guests of the authorities. Their cases are as follows:

- Abdeljelil (Elyakouti), Ouarzazate;
- A young girl, Siham (Seraji), Temara;
- Hassan, Beni-Mlal;
- Bouazza (Alkhraz), (Abi al-Jaad);
- Rachid (Almostaqer), (Casablanca);
- Said (Herar), (Casablanca);
- Abdelhaq (Chebada), a political prisoner who lived in Casablanca and died in Rabat;
- Abderrahim Khelifa, Marrakech;
- Larabi (Cherat), Sidi Slimane;
- Ahmed (Benzeroual), Khemisset;
- Nezreq Abdellatif, Safi;
- Feisal (Belgeiti), Casablanca.

In 1990, 70 were killed, five as guests of the government, and the rest (65) were shot to death by security forces.

The first five cases are as follows:

- Habibe Altaiebi, Azilal;
- (Yakhlef) Ballouti, Marrakech;
- Ahmed (Aouzkar), Marrakech;
- Said (Rebah), Casablanca;
- Rachid Hakim, Kenitra.

The other 65 cases are deaths that were recorded as a result of the oppression by which the governmental authorities countered the incidents of 14 December 1990, when 49 deaths by government gunfire were registered in Fes, 15 in Tangier, and one in Rabat.

In 1991, 10 deaths occurred as follows:

- Ahmed (Bousheta), Souk Arba El Gharb;
- A fetus in the stomach of Professor Neja Majdi, (same town);
- (Fekich Abdeljelil), Casablanca;
- Abdelah (Messadi), Fes;
- Idriss (Altouani), Rachidia;
- Redouane (Alkebir), Sidi Kacem;
- (Benchena) Mustafa, Asilah;
- (Lemskam) Hachemi, Casablanca;
- Benmouh Abdelkader, Rabat;
- (Hadri) Abdelkarim, Taourirt.

Of course, these statistics only cover the three years we mentioned and, consequently, other prior years have undoubtedly produced similar, and perhaps even more abominable, cases. Moreover, even our statistics for these three years only include cases that the national press reported, so that other cases might have occurred without being reported in the press.

Therefore, there might be even more hidden that attests to the danger to the most sacred of rights, the right to life. The authorities' perspective of the right to life reflects their disregard and contempt for the concept upon which the citizen must rely. The government wants the citizen to be subservient and one of a herd, so that he can be treated like an animal—docile, submissive, and least sensitive to himself and his body. The government wants the citizen to be merely someone it disdains and scorns. If the citizen deviates from this norm, and chooses a

different, more illustrious, active, and democratic image, then the government moves to deprive him of his right to this distinction. Those who have accomplished this cannot lose this right, unless the life of that citizen is taken.

That there is no right to life is what was abused under this government apparatus. Even the right to physical safety was not excluded from abuse. Look at the reports of rights organizations in our country, citizens' complaints, and the observations of each one of us for the best evidence of that.

Each year, more than 1,000 citizens are tortured without the government agencies giving any consideration to the victims. Some of these victims suffer physical disabilities and disfigurement, which continue to plague them throughout their lives.

In 1989, 695 cases of torture were recorded, while in 1990, there were 1,161 cases, and in 1991, there were 1,179. Of course, many cases were not caused by the men or lackeys of the government, but on the suggestion or collusion of the government agency leading the attack on any specific occasion. For example, unfortunate incidents have occurred several times in Moroccan jails where—despite the intervention of our country's rights organizations and the statements of political parties and trade unions, and despite reports of officials of certain prisons—the government persists in the bloody torture of political prisoners and refuses to lift the blackout around these acts.

The government's responsibility for this leads us to highlight its responsibilities in connection with another dangerous abuse that has occurred and still is occurring. By that, we mean the campaign of coercion that is leading to relieving citizens of their money on special occasions or evening events. It sees the citizens flying about [from one place to another] or to the post office, fearfully buying the daily news, a lottery ticket, or tickets to the public evening performances, and the taxes they entail.

The administration's coercion of citizens to buy tickets for evening performances, sports events, or various festivities, under penalty of not doing a job (such as refraining from handing over administrative documents) is clearly arbitrary and an abuse of personal security.

So that we don't remain in generalities, let us say that each person has the right to personal security. It is a right that is recognized by all religions, led by our true Islamic religion. It has also been established by international accords—led by the International Declaration of Human Rights—because of its connection with the right to life, the right of residence and to change residence, and the inviolability of the home and private life.

Citizens are compelled—by the government—to finance public evening performances and the lottery by buying tickets and paying for them in advance, by means of coercion by government flunkies. Their main agencies

determine how much must be collected in this shake-down process, or else they are subjected to the most severe penalties. This coercion is considered a clear abuse of the right to personal security and, consequently, a violation of the constitution, the 1971 Law, and the criminal code.

This point leads us to another point, concerning the orders that the central authorities give—on certain occasions—to seize trucks, buses, and motorized transport in general, which, in its way, is a violation of our right to property as stipulated by the constitution, the Law of Obligations and Contracts, and by the International Declaration of Human Rights.

Another more dangerous and monstrous abuse by Dr. Laraki's government is infringement on political and union affiliation. In some cases, the government is the leader of this infringement, either by verbal intimidation from the Interior Ministry, at the highest levels of certain newspapers (such as ANWAL), or in the courts, with judicial prosecutions of certain newspaper editors (such as Mohamed Barini, director of AL-ITTIHAD AL-ISHTIRAKI, [Mohamed] Idrissi Kaitouni, director of L'OPINION, and Abdelkarim Ghallab, the director of AL-'ALAM). There are also judicial prosecutions directed at political and union leaders, such as the one currently underway against Mohamed Noubir Amaoui, member of the political office of the Socialist Union of Popular Forces [USEP] and general secretary of the Democratic Workers Confederation [CDT].

By means of all these abuses, the government intends to shackle society, to stifle and pressure it, so that it cannot express itself. Herein lies the mistake made by the government, because when it infringes on the Moroccan's right to expression or affiliation, it is trying to kill his humanity. When man cannot express his views about his relationship with himself and with others, with things and the world, how can he be a man? There would be no difference between him and dumb animals.

We also feel this muzzling in the government's pressure on universities and higher institutes in our country, through the planting of university guards, or what is termed in the student lexicon as "AWACS," which is a police apparatus created to watch and control student and faculty movements, and to intervene to deter and suppress.

For us, the best evidence for that muzzling is the history of the clashes in which our students have been engaged because, apart from the material demands (grants, dining hall, university housing) or pedagogical demands (method of exams, curricula), we find that the demand to purge the Moroccan university of this police apparatus was the top demand of all student, youth, party, union, and juristic organizations.

In 1989, Moroccan colleges had 54 cases of students tortured at the hands of the "AWACS," seven cases of arrests, and 17 cases of provocation.

In 1990, two were tortured to death in Marrakech by the AWACS. 191 students were tortured, another was threatened with death, and five others humiliated.

In 1991, this group was responsible for 10 cases of student torture.

Unkept Promises

92AF0708C Casablanca AL-ITTihad AL-ISHTIRAKI
in Arabic 11 Apr 92 p 5

[Article: "Black Marks in History of Azzedine Laraki's Government"]

[Text]

1. On Monday, 3 November 1986, Prime Minister Azzedine Laraki made a governmental statement immediately after his appointment to head the government. He made this statement before the parliament [Chamber of Deputies], committing the government to deal with education issues by means of creating a committee of government officials and political party representatives, to look into matters of curricula and instructional programs. He also stressed the government's commitment to support cultural efforts in various sectors.

In that statement, the prime minister made a commitment to modernize the material and human infrastructures of public institutions, make an separate, objective evaluation of each institution, and study their feasibility and profitability in order to learn those that could be dispensed with, and which ones the state should continue to supervise regard for the sake of public interest.

As for economic policy, the prime minister promised to stimulate national productivity through environmental [as published, bi'awi] work in export fields, and through the capability to compete industrially.

Regarding employment, the prime minister pledged to adopt measures to resolve the problem of unemployment, especially among university graduates. He emphasized that the government would strive to mobilize and fill the youths' idle time via sports activities, and by strengthening sports societies and clubs. He said that the government was preparing a comprehensive plan to enable local groups to establish a network of sports complexes in all provinces.

Concerning medical care, according to the prime minister's statement, the government's concerns would be primarily directed at guiding the progress of, and optimum use of, materials and equipment, and using contemporary methods to arrange and determine sources of financing, pursuant to raising profitability and providing sufficient financial resources to guarantee the good health of citizens.

The prime minister also promised to raise the profitability of the administrative apparatus, simplify its complex transactions, and respect the law and oversee its

application. He also pledged, with regard to the judiciary, to implement rulings effectively and ensure citizens' rights by the simplest means and methods.

In his governmental statement for 1986, the prime minister also promised to correct speculation in prices, improve the material situation of wage earners, employees, and all groups of people, and to search for solutions in a dialogue between the government and all parties concerned, from unions and professional organizations.

2. During the debate over the governmental statement concerning the fiscal law for 1987, it became clear that these promises and commitments had evaporated, because the budget for that year was a continuation of previous budgets, based on parsimony and a policy of devaluation [taqwim]. However, the greatest danger that year was the government's conclusion of a contract with the International Monetary Fund [IMF] in October, only a week before submitting the fiscal law to the Chamber of Deputies.

The Socialist Union of Popular Forces [USFP] team worked to expose this dangerous precedent, which showed that contracts with the IMF do not infringe only on the economic decision, but violate constitutional requirements and all attempts aimed at establishing democracy, particularly when a number of the commitments are among the prerogatives of legislative authority.

The 1987 budget was a blow to the Moroccan people, who were expecting an increase in wages and investments, especially after the elimination of certain obstacles that officials had used as pretexts for many years, and which they considered to be an obstruction to progress.

3. In 1987, the government submitted for debate the so-called plan for progress. Government officials made speeches intended to highlight the so-called planning crisis, for the clear purpose of using the idea of planning to evade their commitments, since the prime minister had pledged to carry out his projects by developing the financial circumstances. However, when the 1988 budget was submitted, the government had done nothing to put planning in harmony with the fiscal law. This planning had been forgotten, because it was just an expression of statistical data and demagogic speeches based on liberal ideology and the private sector, without the government having the capability to control the dynamics of the Moroccan economy, and without its having a clear strategy and ability to take the initiative.

4. When the governmental statement for 1988 was submitted, the USFP team noted that the government had forced the legislative authority to study the text of the planning bill and the fiscal law bill at the same time, whereas the planning bill should have been submitted a year before its debate. That would have been better for the government, in that it could have avoided the contradictions and exposed shortcomings—even if only

formally and philologically—between the content of the plan and the content of the fiscal law.

The debate over the 1988 fiscal law was an occasion to clarify the results of 10 years of the government's policy of stagnation and lawmaking, which only served to deepen financial difficulties and marginalize development and social concerns. All this has led to an end of consumerism and investment. Economic conditions are worsening, and this negative situation has resulted in more intervention by foreign financial institutions, through rescheduling debts and instituting a devaluation policy.

In 1988, the government itself acknowledged the failure of the prevailing course of previous fiscal laws. The government adopted unexpected measures, which it trumpeted as an initiative separate from existing economic elements. During the debate on this fiscal law, it was also noted that the law had no connection with the progress plan. The latter was refuted by the former.

Despite the existence of favorable international circumstances (the decline of the dollar and the price of oil) and an excellent agricultural season, the government continued to be ruled by its parsimony, and made no improvement in economic conditions. The masses' purchasing power declined, and strikes occurred in social, educational, and health sectors. The growth and development of the public sector was abandoned. The government's isolation increased, as well as its retreat from consultation and dialogue.

5. In 1988, a privatization bill was drafted, requiring that public contracts be offered to the private sector. The intent was to encourage initiative and reduce the burden on these institutions. Six strategic organizations were exempted from this bill, but later, other decrees were issued requiring the privatization of all public contracts, without exception.

These decisions raised considerable opposition from the political opposition, as well as many social and economic forces, which stressed that the solution to investment problems does not lie in privatization, but in creating a favorable environment for economic initiative and guidance for the public sector, instead of giving it away as a gift to private buyers. In the debate on the 1989 fiscal law, Fathallah Ouallaalou made it clear that the government's action was notable for its absence of coordination, inconsistency, and incongruity, and that the government in 1989 was lacking in all fields, which impeded the Chamber of Deputies' work.

The deterioration of government action has resulted in a decrease in the field of law and has given free rein to authoritarianism and the distribution of means of coercion and administrative oppression at the expense of Moroccan honor and the principle of a state of laws.

It is also clear that the government's planning is absolutely arbitrary, without taking the Maghreb and Mediterranean dimension into consideration in its policies.

New data in the Maghreb milieu has emphasized that competition is growing to become a center for democracy, to respect human rights, develop investment, and withdraw all administrative obstacles. The European challenge threatens all Maghreb countries. The data stresses that these challenges will be difficult to face in the prevailing governmental vacuum. The 1989 budget was marked by the softness of its financing policy. Despite the rise in domestic production in 1988, the government was unable to mobilize domestic resources to guarantee financing of the budget.

The government was also unable to guide and reform the public sector, which has led to that sector's financial stagnation.

Today, 40,000 university graduates continue to be without work. The tax injustice has increased for wage earners, and lower and mid-level employees.

6. The royal message about facilitating investment has confirmed the opposition's call to eliminate administrative obstacles for investors. For the first time, the prime minister has descended from his ivory tower to tour economic areas in (Aziz Laahd), explaining the goals of the royal policy.

SAUDI ARABIA

Defense Minister Inaugurates Armor School

92AE0340D Riyadh AL RIYADH in Arabic: 7 Apr 92 p. 7

[Article by 'Awdah al-Atawi and Salah al-Sharif in Tabuk. "His Highness Second Deputy [Prime Minister], Minister of Aviation and Defense, Inspector General Prince Sultan Bin-'Abd-al-'Aziz Inaugurates Project, Places Cornerstone, Expansion of Armor Center, School. His Highness Continues Inspection Visits to Armed Forces Units"]

[Text] His Royal Highness Prince Sultan Bin-'Abd-al-'Aziz, second deputy prime minister, minister of defense and aviation, and inspector general, continues his inspection visits today to the Armed Forces units in the northwest [military] district, giving 'Id al-Fitr [holidays ending Ramadan fasting] greetings to its members. His Highness was given a speech-filled reception on the occasion, and he also—may God protect him—reviewed units of the Armed Forces, inaugurated some new projects, and laid the cornerstone for the project to expand the Armor Center and School.

Saudi Oil Experts Gauge OPEC Prospects

92AE03594 Jeddah UKAZ in Arabic: 26 Apr 92 p. 15

[Roundtable with Dr. Mukhtar Ballul, Dr. Faruq al-Khatib, Dr. Muhammad Shams, and Dr. Walid Hashim moderated by Dr. 'Abd-al-Rashid Hafiz]

[Excerpts] The kingdom plays a leading role in the international oil market, and makes many sacrifices for

its sake. Anyone who follows the kingdom's petroleum policy knows that the kingdom has taken steps—whether in increasing production when necessary, or lowering it to comply with the needs of the oil market—that no other member state in the organization has taken.

The kingdom's oil policy is also remarkable for honoring its moral obligations to the oil market. This was the subject of conversation at an 'UKAZ AL-IQTISADI' ['UKAZ economics page] debate with a select group of oil experts, all professors at King 'Abd-al-'Aziz University in Jiddah, King Sa'ud University in Riyadh, and the King Fahd University of Petroleum and Minerals in Dhahran.

The conversation also dealt with the risks and challenges that the region faces, and what its members must do to safeguard OPEC's unity and cohesion. It also dealt with scientific research into oil alternatives. The debaters confirmed the lack of an alternative to oil as a basic source of energy in the foreseeable future, and that Arab oil was still the cheapest and most available resource.

Guests of the Debate:

- Dr. Mukhtar Muhammad Ballul, Associate Professor, College of Management Sciences, King Sa'ud University, and Consultant to the Ministry of Petroleum and Mineral Resources.
- Dr. Faruq Salih al-Khatib, Associate Professor, College of Economics and Management, King 'Abd-al-'Aziz University.
- Dr. Muhammad Mahmud Shams, Associate Professor, Mathematical Statistics Department, King Fahd University for Petroleum and Minerals.
- Dr. Walid 'Arab Hashim, Assistant Professor, College of Economics and Management, King 'Abd-al-'Aziz University.

Kingdom's Honorable Role

['UKAZ AL-IQTISADI] The kingdom plays a leading role in the international oil market, and bears much for the sake of maintaining OPEC's unity and cohesion. There are countries that break accords that have been agreed upon, and there are other countries that put the blame on the kingdom. We want to discuss the importance of the kingdom's role, and of preserving OPEC's unity. [Passage omitted]

[Shams] I want to mention three points. First, the kingdom has the greatest oil reserves in the world. Second, the kingdom has the greatest productive capacity. Third, production costs in the kingdom are the lowest. In light of these three points, any country with these three advantages could drown the oil market in oil, forcing many producers out of the market, but the kingdom has not wished to do that, and has not exploited these advantages in a bad way. On the contrary, it has exerted all its efforts and taken all steps to benefit the market.

The kingdom is, naturally, part of the world, and realizes that it will be affected by any problem related to the global economy. Thus, it works to preserve the strength and stability of the global economy. After the Gulf crisis, the kingdom increased production to 8 million bpd [bpd]. That increase did not come out of a vacuum, but happened as a result of investments and expenditures on expansion. It was more advantageous for the kingdom not to decrease its production, but even so, we see that the kingdom did act to lower its production.

[Al-Khatib] If we look at OPEC as an economic model, we see that it is a group of countries that have come together in order to achieve certain goals. Of course, these goals include protecting their interests and making a profit, etc. The ideal situation would be for all OPEC member countries to seek what is in each other's interest, and to commit themselves to what is agreed upon in the organization's meetings. During negotiations, it is expected that there will be explanations of [their] points of view.

If we look at the kingdom's position in OPEC, we see that the kingdom has offered many sacrifices from the time it played the role of partner or swing member, up to the time it represented the lowest-production role, etc. We have been observers watching these matters, and we would like that to be a part of the continuity and stability of OPEC, despite the great sacrifices the kingdom has made. It is still very surprising that a member of the organization can stand up and accuse the kingdom of obstructing the process of reaching an agreement.

The kingdom knew, with commitment and sincerity, what was agreed upon, and this commitment and this sincerity are rarely found in any country in the world. Iran, for example, when it embarked on war with Iraq, did not abide by OPEC's decisions in the least—on the contrary, it sought to make OPEC submit, to serve only its own special interests, even if that meant harmful consequences for the other members.

[Ballul] [Passage omitted] And the kingdom always takes the long-range view into consideration. The other member countries in the organization look at the short term—they want to get the highest possible price, and sell as much as possible. This cannot be said of the kingdom, even though it has large reserves.

The other point is: Who buys this energy? Oil, as is well-known, is still the cheapest energy alternative, up to a certain price level. Buyers are divided into two groups: rich industrial countries and poor developing countries. When the price goes up, both groups are hurt, the poor and the rich. Punishing or starving the world are not goals of the organization, because this would necessarily bring a counter-reaction, nor are its goals to cause indigestion and drown the market, this would have the opposite effect on producing countries.

Thus, the kingdom strove to safeguard long-term demands, the role guarded the interests of both consumers and producers. It is not wise to ignore the

consumer because, as is well known in economics, you cannot control production and price at the same time. And considering that oil is a diminishing resource, it is wise to control the price by setting a reasonable price as a goal, and acting to guide production to achieve this goal.

The kingdom had an experience in the mid- and late 1970s, when some of the OPEC countries pursued price hikes. The result was that OPEC's role in world oil production was as limited as possible. Because new oil discoveries were made in many parts of the world—in Mexico, the North Sea, Alaska, the Soviet Union, and other countries. In addition to that, many alternatives began to appear. It is true that oil is still the number-one source for transportation, but power stations are the largest energy-consuming sector. They used to use raw, unrefined oil, but have changed over, in most industrialized nations, to nuclear and atomic energy.

The kingdom does not want to reach the point where this commodity has lost its importance as a basic energy source, for every alternative has its price, as it is said, and that will definitely lead to the world seeking alternatives to oil.

Insofar as OPEC is an economic organization, its decisions must arise from exclusively economic bases, removed from political irritants.

False Accusations

[UKAZ AL-IQTISADI] There are those OPEC members who level accusations against the kingdom of not facilitating OPEC's latest agreement. We would like Dr. Hashim to discuss this.

[Hashim] The charge of hindering OPEC's decisions are prompted by events, and the facts prove that the party making these accusations against the kingdom was the one that was the cause of harm to the organization. The facts also prove that the accusations come from parties that are contrary to what others say and want. [Passage omitted]

There are countries that engaged in deception for a long time. Those countries claimed that they make sacrifices for OPEC, when the fact of the matter is that they were open with all their energy. It is probable that their production capacity dwindled as a result of the years of non-investment and poor economic conditions.

As I mentioned a moment ago, the kingdom and the United Arab Emirates [UAE] were the only two countries that took up their responsibility to compensate. It was Saudi production that compensated for what the world lost as a result of the halt in Iraqi and Kuwaiti exports. Saudi production rose by more than 3 million bpd in a short time. That was a further indication of the kingdom's sacrifice and the extent of its response to market requirements.

[Ballul] [Passage omitted] It would be a mistake to see oil as a weapon used to punish consumers, particularly now, since oil is a purely economic commodity. One should work to accommodate the interests of the seller and the buyer. Steep price hikes, as some call for, would lead to an increase in the cost of imports, and to an invisible economic siege. The solution is for there to be a long-range view characterized by reason and reflection—as the kingdom's policy always is.

The countries should commit themselves to agreements, so that dividing and defining quotas should also take place, in addition to a group of other factors that should not be put aside.

Another aspect has to do with loans. There is a certain country which loans its production to another country when it is faced with problems. This happened when the kingdom loaned [production] to Iraq during its war with Iran. The kingdom also loaned production to Kuwait during its crisis, so that Kuwait's agreements would not be open to cancellation.

If the kingdom is careful to observe commitments of other countries toward its customers, then what about commitment to our customers? This question is, in my view, extremely important: dealings must be based on confidence in respect for agreements and contracts.

We hear much from those who call for having nothing to do with Middle East oil, because the region is prone to upsets and convulsions, etc. So it is important that there be a long-range economic policy, while providing sufficient opportunity to build on events and their future course.

Kingdom's Many Sacrifices

[UKAZ AL-IQTISADI] Some call for lowering production, and the kingdom has carried out its entire responsibility, lowering its production in two stages. How do you assess the response of the organization's other member countries to that demand?

[Hashim] The kingdom's lowering of its production by 100,000 bpd in last February's OPEC meeting, and the other decrease, came in the framework the kingdom's wise and conscious policy. The kingdom could have looked solely after its own interests, as other member countries in the organization look after their own interests, and produce as much as it can, having the production capacity to drown the market and push it lower than it went. This is no theory—it happened in 1986, when the kingdom called upon OPEC members to cooperate and cut production by fair amounts. When it did not get cooperation, it was forced to produce in amounts suiting itself, and everyone paid the price. We hope that history will not repeat itself. OPEC is the sole successful economic organization in the Third World, and its members must safeguard it from all threats to its success, to foil and halt them, and to bear all their responsibilities.

The [production] cut must be fair, and suited to the production capacity of each member. And when I say production capacity, I mean actual, not theoretical. The production capacity of every country must be put on the table. Oil is not a commodity whose source is hard to determine. Some imagine that oil is one commodity, and that is not correct. We can, by modern scientific means, discover the source of every barrel of oil. Every barrel and every field has its own distinctive fingerprint. It is not difficult to determine the actual production of each country.

Thus when we speak of cuts, they must be on just and logical bases, and geared to actual market demand.

Experience has proven that it is not possible for OPEC to set any price it wants. It is an economic organization that must comply with the circumstances of the market supply and demand. Its job is to maintain the stability of a suitable price in the market.

Quotas and Prices

[UKAZ AL-IQTISADI] There is great dispute over quotas and the production volume of each OPEC member, and its relation to prices. How do you see the chances of reaching an agreement on this question?

[Al-Khatib] If we look at the manner of defining quotas, then the economic theory proposes, for example, two bases: the first according to production capacity, the second according to the volume of reserves. By either standard, we find that the kingdom should produce at a rate of at least 55-60 percent of OPEC's [total] quota.

History confirms that the kingdom's policy has always sought to maintain unity and stability, even if that led to sacrifices, and this is what it has done.

[Hashim] I think the solution lies in the fact that the OPEC countries sit together and speak frankly, and their discussions are realistic. Quotas are redistributed fairly, suiting their production capacity and actual production.

Importance of Scientific Research

[Al-Khatib] I think that OPEC is called to embrace scientific research and study of the actual changes taking place in the market and in oil technology, particularly with regard to some members, who make comments and statements as far as possible from accuracy and the scientific method, because such comments and statements contradict the changes in the oil industry going on in the world.

The changes and circumstances, and the rates of change, are now more rapid than the rate of change in finance markets, or the stock and bond markets. Its methods are growing and broadening. There are now instant markets and future markets, barter contracts, list price, etc. We hear of all these concepts, in addition to the new accords with the countries of East Europe. Thus, scientific research must enjoy OPEC's great and serious interest. [passage omitted]

I am acquainted with many studies and analyses that oppose the organization, and I think most of them are still tinged with a social and political coloring. They were not real economic studies making members stand on the events and changes of this industry. [passage omitted]

Another important event was the signing of the Hague accord between oil companies and the countries of East Europe to grant the [East European] companies oil exploration concessions. All these changes and others emphasize the need for serious, practical research, in which the scientific method would be neutrally applied.

[Ballul] I would like to comment on the subject of quota allotment. OPEC had a number of alternative formulas that it was constantly studying, related to the volume of reserves, population, and many other matters; and these formulas are available.

There is another important point, which is that the oil-producing countries which are not OPEC members took account of OPEC in the past, in the 1960s and 1970s, but now, on the contrary, it is OPEC that has to take those countries into account, as a result of the weight they have acquired, which parallels the OPEC's weight, since it has not expanded.

Thus, any talk of quotas must not omit this fact. In order to be an organization, OPEC must act like one.

Present and Future of Oil Market

[UKAZ AL-IQTISADI] The oil market has experienced new changes after the collapse of the former Soviet Union and the entry of some of the new Commonwealth [of Independent States, CIS] countries into the market as exporters, not to mention the entry of former East Bloc countries into the market as importers. How do you assess the effect of these changes on the present and future of the oil market, particularly since there are those who think that the West has an intensified interest in developing oil discoveries in the CIS countries and setting them up as a competitor to the traditional producers, thus reducing OPEC's effectiveness?

[Hashim] I am not surprised that there should be rapid efforts to find alternatives anywhere. There are huge Western investments in Alaska and in (Bratsmall)—as the result of economic, political, and strategic factors—to find alternatives. There is the International [Atomic] Energy Agency, which was established as an economic umbrella, but before that, as a strategic political umbrella to confront the total dependence on Arab oil. As I mentioned a moment ago, there do not seem to be encouraging signs for finding alternatives. Arab oil is still one of the cheapest and most plentiful resources in the world.

New Oil Discoveries

[Ballul] I think the increase in discoveries is welcomed by the producing countries now, because a new discovery helps the oil reserves in our countries to last longer. We

do not produce only to meet our needs, but also to meet the world's needs. That is even true of wheat. We find that the U.S. does not produce wheat at rates sufficient to meet only its own needs. Producing countries usually are morally committed by world political conditions, and called upon to maintain a balance. Any decline in the economy and rise in energy costs will be reflected in the whole world in anarchy, destruction, and ruin.

[Hashim] I differ with Dr. Ballul. I think that the production of others represents competition to OPEC's production, and I am sure that the Western world prefers to find oil in any place other than the Middle East. So it is not surprising that it should invest all its energies in encouraging oil exploration in the former Soviet countries to find new fields and alternatives to Arab oil. I do not think these efforts will be very successful. So far, there are no encouraging signs, but things could change, and in the modern world things change overnight, but I am absolutely sure that since the 1973 War, the West sees Arab oil either ideologically as not in its camp, or in purely economic terms—that they cannot rely on oil. This is a concern, because oil is the basis of our modern industrial age, since it is the basic energy source, and has no alternative at the present time.

Kingdom Takes Part in Avoiding Possible Collapse

[Shams] The kingdom, with the principle of maintaining price stability and global economic stability, put a quantity of oil in anchored ships; what is called the "floating reserve" had about 50 million barrels of oil when the East Bloc collapsed. The reason for that was the expectation that the collapse of that bloc would cause a drop in the production of the countries of that bloc—what used to be called the Soviet Union. The aim of placing that quantity was to cover the production shortfall in the East Bloc countries. That was participation, and farsightedness, on the part of the kingdom, to avoid a likely collapse.

[Al-Khatib] In my view, the West has benefitted at all levels from the founding of OPEC. The most important aspect from which the West benefitted is represented in the superficial, or *pro forma*, dimension and it found its aim in making the organization a scapegoat for any inadequacy or undesirable action. Thus, OPEC is the first to be blamed for any disruption, whereas, actually, if we ask this question: Who was the partner of the organization in oil discovery, drilling, transport, and refining?; the answer is the Western countries. So we should not be surprised that the Western countries are encouraging the East Bloc countries to make more discoveries?

What should not be ruled out is the East Bloc countries' request to join OPEC, nor their inclination to form their own organization similar to OPEC.

The Western countries' encouraging the East Bloc countries to make discoveries, and to grant them loans and aid, can be regarded in the same way as the West's encouragement of many countries to discover oil in the

1940s and 1950s. So the West always strives for what will serve its interests, and to that end, they are ready to do anything to achieve these interests. [passage omitted]

The West will never produce enough for its own needs, and will remain in constant need of the Arabs' oil and the oil of the east, the north, and the south. As my colleague, Dr. Shams, pointed out, production costs in the Middle East are low, compared with other countries. [passage omitted]

Sometimes it is as low as \$1 per barrel, so that these countries can live on this resource, build its hopes and plans on it, and realize their ambitions. The West, as we know, boasts of amenities and natural boons, in which our countries are poor.

[Ballul] [Passage omitted] There should be an umbrella of coordination so that there cannot be coordination among people, except through dialogue. There is a question raised every so often: What is the value in OPEC? We can ask the question hypothetically, and say: What if there were no OPEC? What would it be like if there were no OPEC? Of course, the nonexistence of the organization means a monopoly, in the sense that the biggest and strongest producer in the market would lead; the biggest in terms of productive energy. This producer would comprise the leadership, and if it acted to lower prices, its customers would gain, and if it acted to raise prices, its customers would lose, whereas other producers, who would sell at lower prices, would benefit.

Therefore, the existence of the organization is very important in the coordination process, which comes as a result of meeting, understanding, and consulting.

[Passage omitted]

Energy Alternatives

[UKAZ AL-IQTISADI] The West is trying to develop economic alternatives to oil, such as hydrogen, solar energy, and others, in an attempt to reduce the importance of oil as a basic energy source. To what extent has research in this field been successful? Could it represent a danger to oil consumption?

[Ballul] The subject of alternatives, in industrial terms, is always explored, compared with principal cost. This cost is not limited to energy alone, but includes technology in the broadest sense. We see that the industrialized countries use computers to reduce time to zero. The industrialized countries compete in cost, and included in this cost is the cost of energy. That is if we look at the subject in economic terms. If we look at other aspects—if we say, for instance, that the West searches for alternatives in order to do without our oil, thus opening us up to punishment, then this, in my opinion, is our fault, not theirs, in the sense that we, as oil producers, must not give them the opportunity to think of alternatives. I think that some people go too far in imagining these issues. It is not reasonable for the West to find Middle East oil available and reasonably priced, and yet still

look for high-priced alternatives, higher than the oil they buy. Yes, the West will be forced to seek alternatives to oil when they are compelled to.

The strange thing is that there are those who call for oil to be used in the political game, and call upon us to raise oil prices and force the West to find alternatives to it. So we go back and lower prices again.

[Al-Khatib] Regarding alternatives, I think that all countries have failed to find an alternative to oil. As is known, oil has special attributes, in the resource itself. All engines and propulsion machinery have been designed to run on oil and its derivatives. For there to be an alternative to oil, engines and machinery would have to be adapted to run on that alternative, which would involve great difficulties. If we take the automobile, for example, one may imagine the extent of difficulty involved in using an energy alternative to oil.

There are many efforts and ideas put forward—such as water and hydrogen and alcohol, etc.—as alternatives, but they have all failed. They were not fated to succeed, not only because of high cost, but also because of the properties of the substances, and the special properties of oil.

Add to this the exorbitant costs of searching for alternatives, and the time that the process requires. All this makes it difficult to accept the possibility of alternatives to oil any time soon. The importance of alternatives appears when the price reaches \$40 per barrel. At that point, research institutes all over the world search for alternatives cheaper than oil. Japanese research has been most successful, but even so, everyone is convinced that there is no alternative to oil as a basic energy source.

Another point is the flexibility of oil and the many derivatives that can be obtained, which number from 100,000 to 200,000. Research is ongoing on new derivatives. All this confirms that there is no alternative.

Urgent Efforts To Find Energy Alternatives

[Hashim] I may differ a little from what my colleagues have said. The fact that we must face is that oil will have an alternative. Oil is a source of energy in human history, and there were a number of sources before oil, and it is not unimaginable that there will be other sources after oil. Oil will have its role in history, and it will end. It may be long or short, but times are changing, and the uses of the resource are changing. The resource itself is changing. Oil, as is known, has only been used commercially for about 100 years, or a little more. This is no longer a big number in human history. Of course, fate has decreed that we have a large reserve of it, and we have been able to invest it in sales, use it to fund our development and economy, and so on. But I do not expect it to be important forever.

The issue, in my opinion, is linked to cost-biased phases. The West tries, as any other country tries, to find a cheaper way. Oil, in and of itself, is not worth anything,

as everyone knows. Oil's worth lies in its derivatives. Oil derivatives, whether fuel or for car engines, are the cheapest resource around. But that does not mean that it will always be the cheapest. Whenever a dollar is invested in research, an alarm bell goes off for us, as producers, for several reasons. Most importantly, the search for alternatives may have results, such as the discovery of an alternative to oil. It is true that oil has special properties, as Dr. al-Khatib mentioned, which are numbered in the hundreds of thousands. This is getting into petrochemicals and manufacturing, etc. But it is also true that if the West is able to find an alternative, it will substitute fuel made from plants or shale, for example, which is plentiful in America and Canada, for automobile fuel. I say, if this kind of alternative alone were achieved, we would lose demand equal to millions of barrels of oil.

If there is the problem of price decreases in OPEC now, just because it's expected that there will be a small surplus in the market, then what would happen if millions of barrels daily are not needed, as a result of having found an alternative and dispensing with oil in just one little sector?

An invention before it happens is in an unknown world, but after it happens, we cannot go back and forget it. Now, for example, millions of dollars are being spent on what is called a solar battery, which can convert solar rays into fuel that can be easily and economically used. [It is not feasible] right now, but if it happens, and provides that alternative; if its success is proven and it is available cheaply, then what will happen? For sure, whatever happens, the price of a barrel of oil will go down, and there would not be anyone to buy it.

The political game that Dr. Ballul referred to—price hikes to force the West to find alternatives, then going back again to lower prices—this is a very dangerous game, because if they do find an alternative, it could also mean their hanging on to it and not going back to oil. We have seen how, in the 1970s, research began to arrive at alternatives, and the basic engine of this research was the oil price hike. Some experts estimate that this price hike led producers to lose 6 million barrels per day, forever, due to the change in oil use.

I am not as optimistic as Dr. Faruq. On the contrary, I am worried. I call on producers to take this into consideration, and not think of price-hike policies that allow others to research. [passage omitted]

Industrialists Ask for Growth Policy Review

92AE0365A London AL-HAYAH in Arabic 24 Apr 92
p 9

[Article by Muhammad Jamal 'Itabi]

[Text] Yanbu'—The closing communique of the Conference of Saudi Industrial Investors yesterday recommended a strategic review of industrial development and its evolution in Saudi Arabia over the next 20 years, so

that it will be harmonious with the unified industrial development strategy of the Gulf Cooperation Council [GCC] states.

Mr. 'Abdallah Tahir al-Dabbagh, Secretary General of the Council of Saudi Arabian Chambers of Commerce and Industry, who read the communique, defined the funding of industrial investments, and the continuance of the current policy of loans to encourage export-oriented industry, as the most important factors of the proposed policy, in order to achieve regional development in such a way as to benefit from comparative advantages and to build an industrial development policy on the basis of balancing various industrial activities. He indicated that the exploitation of the industrial areas in al-Jubayl and Yanbu' required a special promotional program appropriate for attracting foreign investments along with Saudi investments; a pricing policy for raw, intermediate, and local products; encouraging industrial exports; and a policy of protection for national industry.

He also called for Saudi industrial firms to set up research and development agencies and to encourage the establishment of joint ventures with a foreign partner, thus bringing in high technology. [This could be achieved] by overcoming procedural difficulties; solving commercial disputes; and reviewing the tax code applied to foreign investors, including the granting of tax exemptions on investment profits after an exemption period; and enacting tax exemptions for rights to technical expertise.

Open Meeting

Saudi Minister of Industry and Electricity 'Abd-al-'Aziz al-Zamil, held an opening meeting with conference participants the day before yesterday in the morning. He said it was possible for Saudi Arabia to concentrate on automotive parts manufacture, rather than assembly, to raise customs duties on them, pointing out that Saudi Arabia consumes \$5 billion worth of automotive spare parts annually.

Addressing the difficulties of technology transfer, al-Zamil said that the country was taking part in technology transfer by setting up joint ventures, as in the petrochemical industry and about 360 existing industrial ventures in Saudi Arabia.

The minister mentioned that advanced technology transfer was not legislated or mandated by government committees, but decided by the boards of industrial firms.

Responding to a question on setting up a center or company for researching technological development, in the manner of American companies, al-Zamil said that a center for technological research was being set up in Riyadh at a cost of nearly 140 million Saudi riyals, and would begin operations early this July.

One of the conference participants asked the Saudi Minister of Industry to spend half his time with Saudi Minister of Finance and Economy, Mr. Muhammad Aba-al-Khayl, to convince him to increase funding for Saudi industrial projects.

Defense Minister Inaugurates Supply Wing Command

92AE0340E Jeddah AL-MADINAH in Arabic 8 Apr 92
p 3

[Article by Ahmad Shahin and WAS [Saudi Press Agency]: "Continuing His Tour of Northwest Region, Prince Sultan Places Cornerstone for Air Defense Squadron Installations, Delivers Holiday Greetings from Custodian of Holy Places, Crown Prince; His Excellency at Press Conference: 'Cooperation Among Countries of Region, Gulf, Syria, Egypt Full, Fruitful'"]

[Excerpts] Tabuk—His Royal Highness Prince Sultan Bin-'Abd-al-'Aziz, second deputy prime minister, minister of defense and aviation, and inspector general, visited the Air Defense Group in the northwest region yesterday morning, where he honored the reception held on the occasion of laying the cornerstone for installations for one of the group's squadrons. [passage omitted]

At the base's cultural activities hall, his excellency and their excellencies the princes, boarded a bus. Prince Sultan and those accompanying him toured the various parts of the base, and heard the base commander explain how work is proceeding on projects being implemented on the base during the current phase. His highness the second deputy [prime minister] then halted at one of the aircraft and ammunition bunkers, viewed work in progress, and heard a briefing by the officers in charge regarding the tactical and technical features of this generation of bunkers. His Highness Prince Sultan Bin-'Abd-al-'Aziz then continued his tour of the King Faisal Air Base, passing by a number of expansion projects currently being implemented.

His highness concluded the tour by graciously laying the cornerstone for installations of the new Supply Wing Command building at the base. [passage omitted]

Population, Companies, Labor, Schools

92AE0340C Riyadh AL-RIYAD in Arabic 24 Mar 92
p 24

[Article by Sulayman al-Nasir: "Study of Riyadh's Economic Reality: 11 Billion Riyals Invested in 566 Factories in Capital, Family Income 23 Billion Riyals; Spending 15 Billion, 600,000 Workers in Riyadh; 35 Percent Saudis, 47 Joint Stock Companies in Capital With Investments of 24 Billion Riyals"]

[Text] An economic study has estimated total family income in the city of Riyadh at about 23 billion Saudi riyals, of which about 5 billion riyals is spent, while

non-Saudi families spend about \$1.4 billion, making Riyadh a large production and consumption market.

According to the study, assigned by the Riyadh Chamber of Commerce and Industry to the Supreme Authority for Development of the City of Riyadh, details of which were published in the Riyadh chamber's annual report for 1990-1991, 2,458 new companies had been formed in Riyadh by the end of July 1990, representing about one-third of all companies operating in the kingdom, in terms of invested capital. Riyadh companies comprise 41 percent of all companies in the kingdom, and the largest number of limited-liability companies, which constitute 70 percent of the total number of companies. Meanwhile, there are 47 joint stock companies in Riyadh, having the greatest amount of invested capital, 24.7 billion riyals. By the end of July 1990, the number of sole proprietorships had grown to 73,237 in Riyadh alone, representing 25 percent of all companies operating in the kingdom.

Entitled "Economic Situation in the City of Riyadh," the report indicates that by July 1991, the number of workers had grown to about 600,000—65 percent Saudis and 35 percent foreign. Saudi residents of Riyadh are growing at an average rate of 6.2 percent annually. By the end of the Christian century [2000 A.D.], the population of Riyadh is projected to reach 2.3 million people.

There were 566 factories operating in Riyadh as of July 1991, representing a capital investment of 11.282 billion riyals, with 180 of these companies engaged in export.

Residents of Riyadh received 183 million riyals in loans from the [Saudi Arab] Agricultural Bank [SAAB], accounting for 43 percent of all short-term, and 18 percent of all medium-term, loans. The loans helped to increase the cultivated area around the city of Riyadh by about 534,000 hectares.

Another aspect of Riyadh's economy, the number of Chamber of Commerce affiliates, rose to 19,325 during 1990-1991, compared to 17,263 during 1989-1990, an increase of 2,032 [as published, presumably 2,062], or 11.8 percent.

The number of sole proprietorships in 1990-1991 increased to 17,439, compared to 15,141 in 1990-1991.

Following is the text of the study that was conducted on "The Economic Situation in the City of Riyadh and Its Economy in 1990".

Location, Area

The city of Riyadh is located on a raised plateau in the middle of the Arabian Peninsula, at the approximate center of the kingdom. Natural features in the area have given it a beautiful setting. Agriculture spreads in a green band from the north to the south of the city, forming an important production area supplying its markets with

certain agricultural commodity requirements, and providing an outlet for residents. The sand dunes east of the city are also an important part of the recreation area for the population. The area of the city of Riyadh is about 1,000 square kilometers, about 770 square kilometers of which have been developed. Approximately 184 square kilometers of land are suitable for development, representing about 80 percent of the total undeveloped land area. The city's area has grown 10 times since 1977, when it was only 80 square kilometers.

Population

According to preliminary estimates, there were about 1.8 million inhabitants of Riyadh in 1991—Saudis and foreigners accounting for 65 and 35 percent, respectively. The Saudi population of Riyadh is growing at an average annual rate of 6.2 percent. Estimates indicate that the number of inhabitants by the end of this Christian century could reach 2.3 million people.

Riyadh's is distinguished by the young age of its population, 60 percent being under 20, while 2 percent are over 60 years of age. This phenomenon is the source of much of the labor capacity needed for development program activities, and at the same time constitutes a growing consumer market and an important source of reliable buying power. Confirming Riyadh's attractiveness to Saudi youth is the fact that its population doubles every nine years. The population in 1968 was about 300,000, rising to 690,000 in 1977, to 1.389 million in 1986, and most recently, to 1.8 million in 1991. As a result of this increase, attention focused on how to establish an appropriate measure of facilities, services, and infrastructure to meet such growth, while keeping in mind future projections for the city.

Riyadh's Economic Situation

Many factors have contributed to Riyadh's heightened economic capability, including increasing population growth, growing demand for goods and services, its location in the center of the kingdom, and its high per capita income. These elements are discussed below.

Industry

As of July 1991, there were 566 factories operating in Riyadh, representing investments valued at 11.282 billion riyals, of which 5.455 billion riyals involved private financing, the remainder being loans from the [Saudi] Industrial Development Fund [SIDF].

The metal industries sector holds first place, accounting for 16.6 percent of all factories, 13.9 percent of workers, and 14.5 percent of total financing.

The building and construction sector is in second place, with 15.9 percent of factories, 18.7 percent of workers, and 26 percent of total financing.

The activities of factories operating in Riyadh are indicated in the following table.

Activity	Number of Factories
Food and Drink Products	65
Textiles and Leather Products	25
Wood and Metal Furniture	52
Plastic Products	36
Paper and Printing Products	59
Chemical Products	40
Preformed Concrete Products	12
Construction Materials	90
Aluminum Products	33
Electrical Products	43
Transport Equipment and Supplies	17
Various Metal Industries	94
Total	566

Of the factories in Riyadh, 180, or 31 percent, are engaged in export. All types of industrial activity are represented in varying degrees, the most important being the 36 factories producing plastics, or 61.1 percent; compared to 51.2 percent of those making electrical products and 47.5 percent of those producing various chemicals. Riyadh's plants export to each of the eight regional groupings listed in the foreign trade statistics published by the General Statistics Authority of the Ministry of Finance and National Economy. Factory products of every type are exported to Arab Gulf states and to the other Arab countries.

Industrial export activity from Riyadh's factories rose to 500 million riyals in 1989, representing about 20 percent of total exports by the private industrial sector.

The most important products manufactured in Riyadh are air-conditioning and ventilation equipment, electrical cables and wires, dairy products, plastics, nonferrous metal products, processed meats, ceramics, metal construction products, and chemicals.

These exports have helped bring about an obvious transformation in the kingdom's foreign trade structure and helped to activate land and air shipping and transport traffic between Riyadh, the kingdom's ports, and the outside world.

Agriculture

In the 10 years since the agricultural sector began to flourish, the kingdom has turned from a major importer of agricultural commodities and products into a major producer and a major source of the most important commodity, wheat. Riyadh is located in the center of the main agricultural areas, and as such, it has played a vital part in supporting agriculture and activating agricultural investment, because it is both a consumer market and a financial center able to underwrite the investment requirements of new ventures. From 1984 to 1990, Riyadh was responsible for 49 percent of the kingdom's

total wheat production, about 45 percent of its barley, 32 percent of its egg production, 20 percent of its white meat production, and about 72.2 percent of its dairy production.

Due to investor and farmer interest in continued support of agricultural production and new project construction, the SAAB has provided 183 million riyals in loans to Riyadh farmers, representing about 43 percent of total short-term loans and 18 percent of medium-term loans given by the bank to other areas. These amounts are concentrated in large agricultural projects, especially those involving fodder, wheat, greenhouses, and dairy production. SAAB loans from 1984 to 1990 helped to increase the cultivated area in the vicinity of Riyadh by about 534,000 hectares.

Business, Finance

Riyadh is considered the kingdom's finance and business center, containing major centers for government finance funds, SAAB, SIDF, the Credit Bank, the Real Estate Bank, and the Saudi Development Fund. At the same time, it is home to nine major centers of the 12 banks operating in the kingdom. This concentration of financial activity has resulted in clear growth in the financing of foreign trade operations, facilities construction, and lending in Riyadh.

The importance of banking to the private sector throughout the kingdom, and in Riyadh in particular, springs directly out of the Fifth Development Plan, which states that a large part of total investments will be financed by the private sector. The plan indicates that private sector financing will account for 37 percent of total investment, or 144 billion riyals. In order to meet these expectations, commercial banks must develop a package of attractive services designed to mobilize sources of savings and financial capital to provide financing for the economy's more enticing ventures. It is essential that the banking sector operate as an effective channel between those who provide and those who require loan capital.

Manpower

Riyadh's manpower supply is estimated at 660,000 workers in 1991, twice the number 15 years ago. About 40 percent work for the government, while the other 60 percent are in the private sector. The building and construction sector and the services sector account for the largest percentage of labor, 30 percent and 24 percent, respectively. By 1994, the number of workers in Riyadh is expected to grow to 1 million persons.

Income

Total family income in Riyadh is about 23 billion riyals. Family expenditures are about 15 billion riyals, and families save about 20 percent of their income, which is considered one of the highest of all savings rates. The figures for savings and expenditure also clearly reflect the high standard of living that Riyadh's population shares with the rest of the kingdom. Expenditures of

non-Saudi families are about \$1.4 billion, making the city a vast producer and consumer market.

New Companies, Institutions

According to the latest available data issued by the Supreme Authority for Developing the City of Riyadh, the number of companies operating in the kingdom grew by 367 as of July 1990, a rate that is 30 percent of the number of new companies formed in 1988-1989. Of these, 241 were limited liability, and six were joint stock companies. The capital of companies newly-formed as of July 1990 amounted to 2.5 billion riyals, out of a total of 7,107 companies capitalized at 86.8 billion riyals.

At the end of July 1990, 2,458 new companies had been formed in Riyadh, representing about one-third of all companies operating in the kingdom. In terms of invested capital, the city's companies account for 41 percent of the country's total. The largest number of companies are limited liability, accounting for 70 percent overall. Nonetheless, Riyadh's 47 joint stock companies have the most invested capital, 24.7 billion riyals.

More companies were formed in the Riyadh area in [the year preceding] July 1990 than in 1988-1989; 187 companies as of July 1990 compared to 128 companies in the previous period, with the capital of those formed in July 1990 also being much greater than that of companies formed in July 1990 [as published]—1.5 billion riyals in July 1990 compared to 569 million riyals for the previous period.

The growth trend is clearly shown by the statistics for company formation. The private sector was characterized by increasing investment activity in new companies during July 1990. Since business activity opportunities were encouraging, July 1990 witnessed large increases in the numbers of companies formed and in the amount of capital invested in them. The number of sole proprietorship companies also grew by the end of July 1990 to about 73,237 in Riyadh alone, representing 25 percent of all companies operating in the kingdom.

Education

The number of schools, universities, and students in Riyadh has made it a distinguished educational center among the kingdom's cities. There are now more than 700 schools in the city, in addition to adult education schools and various forms of private education. It also has two universities containing about 40,000 students, and many specialized institutes in various fields of science and knowledge, such as postal work, banking, transportation, communications, and centers for technical education and vocational training. Added to the expertise provided by universities, these have contributed to raising the percentage of university degree-holders to 23 percent of all male Saudis in Riyadh, while 75 percent of those who work have diplomas at the secondary school level or higher.

In addition to the above, Riyadh contains the King 'Abd-al-'Aziz City for Science and Technology, which is considered the agency responsible for conducting scientific and applied research in the kingdom and for the areas in which research will be used.

GCC Citizens Allowed To Buy Public Firms

92AE0340B London AL-SHARQ AL-AWSAT in Arabic
20 Apr 92 p 9

[Unattributed article: "Finance Ministers Discuss Completing Application of Unified Accord: GCC Citizens Allowed To Own, Trade Shares in 11 GCC Companies. Mostly Saudi"]

[Text] Riyadh—A decision has been made to allow Gulf Cooperation Council [GCC] citizens to own shares and transfer ownership in 11 joint stock companies in member states. These are:

- Kuwaiti-Saudi Cement Manufacturing Company
- Bahraini-Saudi Cement Company, merged with the Saudi Cement Company;
- United Gulf Fiberglass Manufacturing Company;
- Saudi Basic Industries Company [SABIC];
- Saudi Cable Company;
- Food Products Company;
- National Glass Industries Company (Zujaj);
- National Metal Casting and Manufacturing Company "Ma'daniyah" (trading in its shares closes at day's end on 29 October 1992;
- Packaging and Bottling Materials Company (trading in its shares closes at day's end on April 18, 1996);
- Tourism Projects Company (Shams) (trading in its shares closes at day's end on 22 May 1996);
- Arab Pipe Company (trading in its shares closes at day's end on 17 June 1996).

GCC leaders reached agreement on this decree during their summit meeting in Bahrain on 19-22 September 1988. Trade ministers met in Qatar on 26 November 1991 and called on member states to provide the GCC General Secretariat with a list of companies and the percentage of shares that GCC citizens would be allowed to own and transfer ownership of. The list was to be passed around the member states and distributed to the private sector.

Elsewhere, GCC finance ministers are meeting in Riyadh the day after tomorrow, Wednesday, to discuss the schedule for implementing the remaining provisions of the Unified Economic Accord in the areas of financial, monetary, and customs cooperation; and improving the bases for GCC citizens to practice economic activities, vocations, and professions in member states.

The ministers will also discuss the circumstances of Arab financing companies, organizations, funds, and institutions established under the framework of the Arab League, in which GCC states participate, as well as negotiations with states and economic groupings. They will also study articles of the GCC's Unified Economic

Accord which contradict those in the Agreement on Commercial Exchange between Arab States and review the minutes of the 17th meeting of the Board of Governors of the GCC Monetary and Central Banks Authority and the meeting of the Management Committee of the Economic Development Effort Support Program for Arab Countries.

Daba' Port Scheduled for Commercial Operation

92AE0340A Jiddah AL-MADINAH in Arabic 11 Apr 92 p 11

[Article by Ahmad Shahin and Hisham Najib: "Integrated Preparations in Safajah and Daba' To Operate Maritime Line; National Company Awarded Daba' Port Operation To Be Announced 3 May"]

[Text] Tabuk, Safajah—Sealed bids concerning the Daba' Commercial Port to be operated by a Saudi company will be opened on 3 May, according to sources at the General Ports Authority [GPA].

Operation of the port was put up for bids to give Saudi businessmen the opportunity to participate in running this vitally important installation.

Next week, members of the Founding Commission entrusted with operating the regular ferry line between Daba' and Safajah will visit the port and hold a meeting, where they will announce the startin date for the new maritime line between Daba' and a number of Egyptian ports, in implementation of the directives of the Joint Egyptian-Saudi Commission for Economic and Technical Cooperation.

During this past February, the GPA finished equipping the commercial port of Daba' by putting up a number of prefabricated buildings for administration, residences, and support services at the port.

With the operation of the port, the Tabuk District and the Northern Province will witness economic movement and increasing economic activity.

On the other side, preparations at the Egyptian port of Safajah are in full swing as it gets ready for operation of the new maritime line and prepares to receive navigation traffic from the kingdom.

Maj. Gen. Muhammad Yusri al-Shami, governor of Red Sea [Province], emphasizes that Safajah is one of Egypt's deepest ports, with a draft of 42 feet. It is also the only port that operates on a round-the-clock basis throughout the year.

An industrial free zone similar to that in Hong Kong is expected to be built within this framework. Dr. 'Atif Sidqi, Egypt's prime minister, and the Egyptian [General] Investment Authority have approved such a project. Dr. Muhyi-al-Din al-Gharib, investment authority chairman, discussed reviving this vital and important project with Japanese officials during his last visit to Tokyo. He believes that a direct maritime line

between Daba' and Safajah will help to revive the industrial free zone, for which 6 million square meters have been set aside in Safajah.

Ambassador Explains Hostage Incident in Yemen

92AE0357A Jiddah 'UKAZ in Arabic 21 Apr 92 p 5

[Telephone interview with Saudi ambassador to Sanaa by 'Abdallah al-'Urayfiy Riyadh, date not given: "The Saudi Ambassador in Sanaa Tells Story of His Confinement; Solicitude by Beloved Monarch Had Positive Impact on Ending Crisis"]

[Text] Riyadh, Sanaa—'Ali Bin-Muhammad al-Qufaydi, ambassador to the Republic of Yemen of the custodian of the two holy mosques, expressed his utmost gratitude and appreciation to the Custodian of the Two Holy Mosques King Fahd Bin-'Abd-al-'Aziz, for the attention and paternal solicitude that the king—may God keep him—extended to him during his confinement at the kingdom's embassy in Sanaa.

In a telephone interview from his residence in Sanaa, Ambassador al-Qufaydi told 'UKAZ: "I am greatly touched by the beloved king's solicitude. His attention had a positive impact on ending the crisis of confinement to which I was exposed, which lasted 18 hours."

His Royal Highness Prince Sultan Bin-'Abd-al-'Aziz, second deputy premier, minister of defense and aviation, and inspector-general, had a telephone conversation with Ambassador al-Qufaydi yesterday morning, during which he offered congratulations and expressed utmost satisfaction at the outcome of the difficult hours during which the ambassador was confined to his office at the embassy in Sanaa.

The ambassador of the custodian of the two holy mosques in Sanaa expressed his thanks and gratitude at his highness' call, which reflected the keenness of the state, led by King Fahd and his royal highness the faithful heir to the throne, on ensuring the safety of its sons, citizens, and representatives abroad.

Asked during the 'UKAZ telephone interview about the story of his confinement, the ambassador said:

"The clock was pointing at 1315 of the day before yesterday (Monday) when a Yemeni youth carrying a rigged briefcase arrived at the embassy in Yemen during official working hours. He was searched by embassy security but two revolvers were hidden in the briefcase in such a way that they escaped detection. When he entered my office, which is 8 meters long and 4 meters wide, he stormed the office and threatened to blow up the embassy building, with me and the counsellor in it, unless he was paid a million dollars in return for aborting his terrorist operation.

"The confinement lasted 18 hours—from 1315 until 0800 the following morning. All along and through the following morning, I attempted to calm things down and

pacify the perpetrator, who had earlier released the counsellor. Yesterday morning I asked for breakfast. He consented and opened the door to two people, whom I had not seen before, wearing robes and headcloths [thaub, ghutra] and carrying breakfast, coffee, and tea. The perpetrator became suspicious and fired two bullets in the office, at which point some 19 Yemeni policemen entered and arrested the perpetrator as he tried unsuccessfully to detonate a bomb that he had tied [taped?] to one of his legs.

"I was asked by the police to leave the office immediately to avoid any further danger. The whole thing was over in a very short time, and thanks to God at all times!"

Responding to reports that he knew the perpetrator, the ambassador said: "This is not true. I don't believe he had any contacts with anyone at the embassy because, as I said before, he was involved in a previous crime."

[Al-'Urayfij] Did he have an appointment with you as reported by some Yemeni sources?

[Al-Qufaydi] Not true. There was no prior knowledge of that. I saw him for the first time when he stormed my office and announced his intentions. I am not aware that the perpetrator had any [prior] contact with the embassy or its employees.

[Al-'Urayfij] Was the confinement operation preceded by any telephone threats, either to the residence or to the embassy?

[Al-Qufaydi] No, the perpetrator's attempt at confining [me] was preceded by no threat attempts. I received no such thing.

[Al-'Urayfij] Having spent 18 hours with the perpetrator, what do you think are his real motives? May we disclose his name?

[Al-Qufaydi] The perpetrator is a 30-year-old Yemeni youth and university student called Muhammad al-Matari. He previously killed a movie theater owner five years ago.

As far as I know, the perpetrator was acting for a large gang and he wanted to get a million dollars.

[Al-'Urayfij] What were your concerns during the hours of confinement? What went through your mind?

[Al-Qufaydi] I was constantly thinking of how to defuse this crisis. I was very calm during that period, because any attempt at provocation could have had disastrous results, especially since the man was involved in a repugnant and dangerous act of terrorism. The hours passed and the crisis ended with God's help.

[Al-'Urayfij] What did your family feel during that period?

[Al-Qufaydi] It was very worried, disturbed, and upset until those difficult hours passed.

[Al-'Urayfij] Did the perpetrator make any attempt at harming you?

[Al-Qufaydi] There was no such attempt on his part, but I underwent medical tests by the examining physician after my return to my house from the embassy.

[Al-'Urayfij] What are the results of those tests?

[Al-Qufaydi] Comforting and very good, thank God.

[Al-'Urayfij] Did you receive any visits or calls from Yemeni officials?

[Al-Qufaydi] No, but I had calls and visits from Yemeni police officers. I also received, in my capacity as dean of the Arab and foreign diplomatic corps, a number of foreign and Arab ambassador brothers who were concerned for me.

[Al-'Urayfij] How many people work at the embassy?

[Al-Qufaydi] Three employees, in addition to me, go about our daily diplomatic work.

[Al-'Urayfij] Where is your residence located in Sanaa?

[Al-Qufaydi] Near the kingdom's embassy—only a few meters away.

[Al-'Urayfij] Anything you would like to say at the conclusion of this interview?

[Al-Qufaydi] First, I thank God, then I [would like to] express appreciation and gratitude to my lord, the custodian of the two holy mosques, to his royal highness the faithful heir to the throne, and to his royal highness the second deputy, for their solicitude during the period of confinement. I would also like to express thanks and appreciation to all employees of the Foreign Ministry, to relatives in the kingdom, and to the brethren and friends who were concerned and who kept close tabs on the situation. I also thank you, 'UKAZ, for your interest, concern, and call.

It is to be noted that Ambassador al-Qufaydi, who was born in Mecca some 55 years ago, is recently married and has two small children—a son and a daughter—who live with him in Sanaa.

He held several Saudi diplomatic posts abroad and was the kingdom's consul-general in Cairo before being posted to Sanaa nine years ago.

Al-Bakri To Buy 5 Petrochemical Carriers

92AE0355A London AL-SHARQ AL-AWSAT in Arabic 18 Apr 92 p 9

[Article by Muhammad Fahd al-Harithi: "Al-Bakri Saudi Maritime Corporation Contracts for 5 Petrochemical Tankers at 750 Million Riyals"]

[Text] The al-Bakri Saudi Maritime Corporation entered into preliminary contract with LGA of Germany for the construction of 5 petrochemical supertankers at a cost of

750 million Saudi riyals (\$200 million). AL-SHARQ AL-AWSAT learned that al-Bakri plans to initially take delivery of two vessels (with an option for three more at a later date). Construction of the vessels will begin early next year (1993) for delivery in 1995 at a total cost of nearly 300 million riyals.

The contract is part of expansion plans by al-Bakri, considered one of the largest private maritime transport companies in the region. The corporation is focusing specifically on securing a major share of the Saudi petrochemical shipping business.

Informed sources told AL-SHARQ AL-AWSAT that a consortium of Saudi and British banks will help finance the deal and that some of the funds will be advanced by the corporation itself.

Barclays Bank, the Royal Bank of Scotland, Riyad Bank, and United Saudi Bank are expected to participate in the financing.

Domestic and foreign banks collaborate with the corporation because it successfully fulfilled its obligations under its first \$50 million loan, which was paid off in November 1990.

The corporation attributes its interest in petrochemicals shipping to the extensive development and expansion of Saudi petrochemical industries. Dr. Zuhayr 'Abd-al-Qadir Bakri, a member of the corporation's board of directors, emphasizes that "the future belongs to petrochemical industries. National fleets specializing in the transport of petrochemicals are needed if the Saudi Basic Industries Corporation (SABIC) is to grow and compete effectively in world markets. It is part of our strategy to keep pace with new advances, and we are therefore focusing on this new trend, as well as on shipping crude oil and its derivatives. I believe that responding to change is the most important element of success for any firm."

Transporting petrochemicals requires vessels with high safety standards that are constructed of special materials, and therefore costly. Those specifications are expected to apply to the upcoming generation of vessels, since many countries, particularly the U.S., are strict about safety precautions and measures, especially in view of recent incidents of marine environmental pollution.

The vessels, whose theoretical life is between 25 and 30 years, are expected to have an annual investment rate of return of between 10 and 15 percent.

The al-Bakri Corporation presently owns 25 ships and vessels and operates out of headquarters in Jiddah, regional quarters in Southampton, and branches in Norway, Singapore, Karachi, and the United Arab Emirates [UAE].

The corporation is also involved in selling petroleum products and in ship bunkering, for which it maintains fuel storage facilities in al-Fujayrah, the UAE, and eight vessels for refueling at sea.

The corporation, essentially engaged in oil trading and maritime shipping, had revenues of some 1.2 billion riyals in 1990.

The corporation plans to announce a new company, "Red Sea Ship Services," in the next few months, after obtaining Ministry of Commerce approval. The company will specialize in ship management and operation, which is a new private sector investment activity in the region, heretofore limited to foreign firms.

Says Dr. Zuhayr: "We realize the difficulty of entering the ship management and operation field, especially since it has been limited to ancient maritime countries such as Norway, Greece, and Hong Kong. We believe, however, that we have acquired the experience and staffs needed." He adds: "The new company will not limit itself to managing and operating the corporation's vessels, but will handle any others that wish to do so."

Dr. Zuhayr believes that investing in similar sectors of maritime shipping would return good earnings, especially in the presence of huge domestic government concerns, such as SABIC and SAMAREC [Saudi Marketing and Refining Company], that lend their support to domestic investors.

Sea Buses

The corporation has been planning another important project for more than two years and expects to begin implementation next year. AL-SHARQ AL-AWSAT learned that the corporation is ready to contract with Kvaerner of Norway for the construction of two "sea buses" at a cost of 25 million riyals. The corporation has already secured official approval of the project, which will link Egyptian and Saudi Red Sea ports with daily trips.

The buses will reduce travel time between Egypt and Saudi Arabia to six hours from 48 hours at present. The project is expected to have a positive impact on maritime tourism between Egypt and Saudi Arabia, and also on the al-Ghardaqah area (some 20 km from Safajah), which is now an important Egyptian tourist attraction with four major hotels and complexes of beach cabins.

Each sea bus will accommodate 250 passengers and have a first class and a tourist class. They have been designed to world-class specifications to be competitive with any other means [of transportation]. They are planned to the standard of tourist sea buses operating between Britain and France and among the Greek islands.

The buses will have a speed of 40 knots an hour, compared with only 15 knots for vessels currently in

service. Their very shallow draft will keep them high above the seaweed, and therefore endows them a high margin of safety.

Khalid Urges Supervision of Aid Distribution

92AE0365B London AL-HAYAH in Arabic 25 Apr 92
p 4

[Article by 'Abdallah Nasir al-Shahri]

[Text] London—Prince Khalid Bin-Sultan Bin-'Abd-al-'Aziz affirmed the "necessity of the presence of representatives of Saudi [relief] agencies in afflicted Islamic regions, to supervise the distribution of Saudi aid," taking into consideration that "this was not to impair the dignity of the country in which the catastrophe had struck."

He explained that representatives of Saudi agencies would coordinate support and aid measures with local authorities to ensure that aid reached those who needed it. He said, "This is done by international aid agencies, the United States, and most Western countries."

Prince Khalid, who was speaking to a closed press conference, attended by AL-HAYAH, about the results of his recent visit to Bangladesh and a visit to a Burmese refugee camp, added that he had felt during his visit, "a lack of medical capabilities available in the camps," pointing out that "most of the refugees are women and children in poor health, and the doctors expected the spread of tuberculosis among the children in the coming months, especially when the rainy season begins. The camps also lack essential facilities and food supplies."

Prince Khalid spoke of the need for the repatriation of the refugees as soon as possible. He called for "pressure on the Rangoon government to implement international resolutions."

He confirmed that he had discussed the Burmese Muslim refugee problem, and the extent of their suffering, with high officials in Bangladesh. He said "This problem is a terrible burden on the Bangladeshi economy, as the Dhaka government is unable to bear it alone."

"It is up to the UN, as it so recently stood by Kuwait, to take up the same position and force the Rangoon rulers to obey the resolutions of the international community."

He said that he had also discussed "strengthening cooperation among Islamic countries, especially between the Kingdom of Saudi Arabia and Bangladesh."

He said that he felt the gratitude that his country enjoys among Bangladeshi citizens, "and their love for the Custodian of the Two Holy Places" as a distinguished international and Islamic personality, and their gratitude for his role in peace and war, in aiding Islamic countries, and in his taking part in solving their problems and easing their sufferings."

Prince Khalid gave a personal donation of \$1 million to help the Bangladesh government confront the refugee burden. Prince Khalid was asked for his explanation of what had happened to the Muslims, and said, "One look at the Islamic world shows us the amazement and the wonder of the relations between countries, individuals, and agencies. In this regard, I do not want to blame our mistakes—as many do—on others." He confirmed that "there was division between Muslims; fighting and killing at the hands of Muslims; and hatred, rancor, and malice among Muslims."

He concluded by asking, "If this is our normal relationship among one another, how must others see us, and how can we blame them for their behavior towards us?"

BANGLADESH

Press Reports on Case Against Golam Azam

Report on Arrest, Press Note

92AS0953A Dhaka THE BANGLADESH OBSERVER
in English 25 Mar 92 p 1

[Text] Pakistani National Jamaat-e-Islami Ameer Professor Golam Azam was arrested on Tuesday night. He was picked up from his residence at 11-45 p.m. and sent to Central Jail.

The Government issued an order for the detention of Golam Azam under "Foreigners Act" on charge of his becoming the Ameer of Jamaat-e-Islami without being the citizen of Bangladesh, violating Article 38 of the Constitution.

A contingent of police went to the residence of Golam Azam at Kazi Office Lane in Maghbazar at about 10 p.m. to arrest him. But the activists of Jamaat and its student wing Islamic Chhatra Shibir tried to obstruct the police from arresting Professor Golam Azam by making a human chain around his residence.

Meanwhile, the Government rejected the reply of Professor Golam Azam to the show cause notice served on him on Monday night. The Government termed his reply as "unacceptable". The notice asked him to show cause why he should not be deported from Bangladesh and legal procedures be taken against him for violating constitutional provision by becoming Ameer of Jamaat-e-Islami.

Despite Government action against Golam Azam and stern warning given to the "Committee for Elimination of the Collaborators of 1971" to stop the public trial of Golam Azam, the committee resolved to go ahead with the public trial at Suhrawardy Uddyan on March 26. Different political parties including Awami League, Five-party Alliance, Four-party Patriotic Democratic Front, Muktijoddha Sangsad, seventeen student organisations of Dhaka University and Engineering University, Dhaka University Teachers Association, lawyers of Supreme Court Bar Association, journalists, members of Bangladesh Medical Association, different professional bodies and sociocultural organisations reiterated their support to the public trial defying the Government order to stop the trial.

The members of the Committee have decided to proceed with the public trial and resolved not to compromise even at the cost of their arrests.

A U.S. attorney, Thomas Keating, is arriving today (Wednesday) to witness the public trial. He has sent a message to the Committee about his arrival.

Meanwhile, a number of foreign journalists arrived in the city to cover the public trial at Suhrawardy Uddyan.

Press Note

BSS adds. The Government on Tuesday issued an order for the detention of Jamaat-e-Islami leader Professor Golam Azam under the Foreigners Act.

A Press Note issued by the Home Ministry said the reply given by Professor Azam to the show cause notice served on him by the Government earlier was not acceptable.

The Government served show cause notice on Professor Azam as to why he should not be deported from Bangladesh and legal procedure be taken against him for violating Article 38 of the Bangladesh Constitution by becoming Ameer of Jamaat-e-Islami despite not being a citizen of Bangladesh, the Press Note added.

The Government hoped that the initiators of the so-called "Gano Adalat" ('People's Court') would refrain from anti-constitutional activities as the main cause behind such court has been removed following adoption of legal action in this respect.

The Government made it explicitly clear that stern legal action would be taken against those who would take the initiative to hold the so-called People's Court by nagging themselves in the activities repugnant to the Constitution and law of the land, the Press Note further said.

The Press Note said the Government has also served show cause notice on the Convener and members of the Coordination Committee for Elimination of the Killers and Collaborators of 1971 and Implementation of the Spirit of the Liberation War. In that show cause notice, they have been charged with engaging in anti-Constitution activities, tarnishing the image of law and courts established under the Constitution, challenging their effectiveness, taking the law in their hands and thus trying to cause serious deterioration of the law and order situation.

The Government was awaiting the reply on the show cause notice, the Press Note added.

Golam Azam Reply

92AS0953B Dhaka THE BANGLADESH OBSERVER
in English 25 Mar 92 pp 1, 10

[Text] Professor Golam Azam, Ameer of Jamaat-e-Islami Bangladesh, on Tuesday termed the allegations brought against him by the Government as totally baseless and motivated.

In a written reply to the show cause notice served upon him by the Ministry of Home Affairs on Monday night he said, "By any definition of law I am a citizen of Bangladesh and there is no scope to expel me from the country or take any action against me and branding me as a foreign citizen does not arise". He said if any action was taken against him under the circumstances, it would be unlawful and be considered unacceptable in the eye of law.

Professor Golam Azam in his reply to the Government asserted that he was a citizen of Bangladesh by birth-right. Referring to his stay in the country, he said he had been living in his residence for the last 14 years.

Giving his personal explanation to the show cause notice, he said "the Government under the law of acquiescence has recognised me as a citizen of Bangladesh which it can refuse. In addition to this, my rights have been reserved under Article 31, 36 and 39 of the constitution".

Regarding his reply to the notice, Professor Golam Azam said, he was given only a few hours time being led by political pressure and motivation. He urged the Ministry to allow him time for personal hearing of his case and submit the relevant documents.

Regarding his election as Ameer of Jamaat-e-Islami Bangladesh, Professor Golam Azam said that he and his forefathers were born and had been living within the territorial boundary of Bangladesh and he had never renounced his citizenship. As such, he had every right to be the Ameer of Jamaat-e-Islami Bangladesh. His election as the Ameer of Jamaat was not repugnant to Article 38 of the Constitution of the country, Professor Golam Azam explained.

Giving a background of his absence from the country till July 1978, Professor Golam Azam said he had gone to Karachi on November 1971 and returned to Dhaka on December 3, 1971.

But the plane which carried him to Dhaka failed to land at Dhaka airport due to war. As a result, the same plane went to land in Jeddah where he had lived for few months. Subsequently, he went to London and stayed there till 1978, he claimed. During the period, he claimed that he had tried to return to the country several times, but failed. At last in July 1978 he was able to return to the country. He said he had to use the Pakistani passport at the time of his return to the country as travel documents under the compelling situation. After returning to the country, he had surrendered his passport to the Government and applied for the citizenship showing total allegiance to Bangladesh, Professor Azam said.

Professor Golam Azam in his reply to the show cause notice denied that the notice No. 403 IMN/III, dated 18-4-73 was issued upon him. The said notice, he observed, was biased under the then political situation. He mentioned that many of those declared disqualified for citizenship by the said notice were subsequently reinstated following appeal.

Jamaat Reaction

92AS0953C Dhaka THE BANGLADESH OBSERVER
in English 25 Mar 92 pp 1, 10

[Text] Jamaat-e-Islami, Bangladesh on Tuesday strongly condemned and expressed anger over the serving of

show cause notice upon Professor Golam Azam, Ameer of Jamaat-e-Islami Bangladesh.

Addressing a Press conference at the central office of the party at Maghbazar, Mr. Abbas Ali Khan, formerly Acting Ameer and now senior Naib-e-Ameer of Jamaat-e-Islami, Bangladesh said that Professor Golam Azam was the citizen of Bangladesh by birth and his forefathers were also born within the territorial boundary of the country.

Defending Golam Azam's election as the Ameer of Jamaat-e-Islami, Bangladesh, the Jamaat leader said that he had never renounced his citizenship and as such he had every right to be the chief of Jamaat-e-Islami. His election as the Jamaat chief was also not repugnant to the Article 38 of the constitution, he asserted.

Further supplementing his arguments for the Jamaat chief, Mr. Abbas Ali Khan said Professor Golam Azam had been living in his residence for the last 14 years which the Government had recognised under the law of acquiescence as the citizen of the country. The Government, he observed, could not refuse it lawfully.

Mr. Abbas Ali Khan reading out a written copy at the Press conference said, the Jamaat-e-Islami was observing with deep anger that the Government had served show cause notice upon Professor Golam Azam instead of taking any action against those trying to create anarchy by taking laws in their hands and were still carrying on their unlawful activities. He said, the Government has established a bad precedence by yielding to the pressure of those who had apparently violated the Constitution and dishonoured the courts.

He referred to a similar notice served on Professor Golam Azam in 1986 by the former regime where in it was asked how he was living in the country without any valid visa. At that time also Professor Golam Azam has clearly made it known to the Government that he was a citizen of Bangladesh by birth and the Government had no right to disqualify him from the citizenship of Bangladesh as he was born in this country, Mr. Khan said. Since then no statement from the Government was received in this respect, he mentioned. "As a result we were assured and elected Professor Golam Azam as the Ameer of Jamaat-e-Islami according to the party constitution and we also made our stand clear in December last year".

Corroborating the fear as expressed by Jamaat leader Maulana Matiur Rahman Nazami at the Press conference on March 10, Mr. Abbas Ali Khan said the organisers of the so-called People's Court were trying to create anarchy and spark a civil war in the country. He said those elements had created serious tension in the country for the last two weeks. The organisers, he continued, had sounded words like anti-liberation forces will be eliminated, hands will be stained with the blood

of the Rajakars, preparing lists, identifying the residences and holding out threats by letters and by telephones, and asking the people to form committees in every mahalla to attack the Jamaat and the Shibir members.

He alleged that these forces were threatening to close down the Baitul Mukarram Mosque and inciting the people through their statements in the newspapers. He mentioned that some newspapers had violated the ethics and spreading venom against Jamaat-e-Islami. The formation of suicide squads, Mirtinjoy squad were also formed to implement the verdict of the so-called People's Court, he further alleged.

Mr. Khan accused the organisers and some newspapers of inciting violence by publishing fabricated and false news. These incidents had certainly created anxiety among the peace loving people of the country, the Jamaat leader alleged. He distributed a separate list on how the Jamaat and Shibir members across the country were persecuted.

Mr. Abbas Ali Khan apprehended that the parliamentary democracy which began its journey unanimously had now become hostage at the hands of a section of what he called "terrorists." [quotes as published]

Reminding the Government of its great responsibility in checking the organisers of the so-called People's Court, he warned that in the event of any failure, it would bear the consequences.

He urged upon all concerned not to make the non-issue into an issue. He advised the political parties not to raise the boggy of Golam Azam to cover their failures in politics.

He said, it should not be the main issue to the nation who had done what in the past. Giving his personal tribute to Golam Azam, Abbas Ali Khan said Golam Azam was a hero of Language Movement and political stalwart and an Islamic personality internationally. Golam Azam's bold leadership had proved it to the people beyond a doubt that Jamaat-e-Islami was a disciplined and democratic political party, he said.

He accused the agents of imperialists of terming Golam Azam as a pillar of fundamentalism. He said, it was known to all that the imperialist forces in the world were trying to halt the advance of Islam and using Golam Azam as pretext only.

He urged the Government to behave rationally to give citizenship to Golam Azam and bring an end to all kinds of confusion.

Replying to a question Abbas Ali Khan said that Jamaat-e-Islami would counter the Government politically and legally if Golam was arrested. He told a questioner that the BNP [Bangladesh Nationalist Party] Government had deviated from its commitment though it had taken the support of Jamaat-e-Islami promising to give citizenship to Professor Golam Azam.

Answering a question, the Jamaat leader said, it was not Professor Golam Azam who met Prime Minister Begum Khaleda Zia, but it was Begum Zia who called on him to discuss various national issues. He made a counter question how the Prime Minister could meet and discuss the national issues with a foreign citizen?

When the Jamaat-e-Islami leaders were holding the Press conference a crowd outside the Jamaat-Islami office was chanting slogans against it and pelted stones on the Jamaat office. There was brief chase and counter chase between the Jamaat supporters and the outsiders. Police, however, dispersed the crowd.

Present at the press conference were Maulana Matiur Rahman Nizami, leader of the Jamaat Parliamentary group, Advocate Ansar Ali, MP, Maulana Shamsur, Rahman, Prof. Yousuf Ali, Md. Kamruzzaman, Ali Ahsan Mujahid, Abdul Kader Mollah and Maulana A.K.M. Sobhan MP.

People's Court Verdict

92AS0953D Dhaka THE BANGLADESH OBSERVER in English 28 Mar 92 pp 1, 10

[Text] The People's Court organised by the Committee for Implementation of the Spirit of Liberation War and Elimination of the Killers and Collaborators of 1971 at Suhrawardy Uddayan on Thursday found Golam Azam guilty of war crimes including genocide, loot, rape, arson, destruction of property and conspiracy against independence.

The court pronounced its verdict saying crimes committed by Professor Golam Azam are punishable by death sentence in all democratic countries amid cheers from hundreds of thousands of people witnessing the trial. The court urged the government to show respect to the people's verdict within 30 days.

Advocate Gaziul Huq, member of the people's court read out the verdict which gave the death sentence on Golam Azam. The 12-member court led by Jahanara Imam as Chairman included advocate Gaziul Huq, Dr. Ahmed Sharif, Architect Mazharul Islam, Barrister Shafiq Ahmed, Faiz Ahmed, Professor Kabir Chowdhury, Kalim Sharafi, Maulana Abdul Awal, Lt. Col. (Retd) Kazi Nuruzzaman, Lt. Col. (Retd) Abu Osman Chowdhury, and Barrister Shaikat Ali Khan.

The court brought 12 charges against Golam Azam. Fifteen witnesses gave their evidences before the court against the accused. Of the 15 witnesses, two were the sons of martyrs and three were women who were raped by the Pakistani occupation forces and their henchmen.

The 12 charges were brought against Golam Azam before the court on behalf of the people by Dr. Borhanuddin Khan Jahangir, Poet novelist Syed Shamsul Huq, Dr. Anisuzzaman and other witnesses endorsed it. The court sat round 11:45 a.m. on four trucks inside the Suhrawardy Uddyan exactly at the place where from Bangabandhu Sheikh Mujibur Rahman gave his historic

March 7 speech and the Pakistani occupation forces signed the surrender documents to the Joint Command on December 16, 1971.

Doubts loomed over the sitting of the people's court as the government earlier issued stern warning against it. Many of the members of the Committee were hiding following the government warning. Members of the Committee led by Jahanara Imam at last assembled at the chamber of advocate Gaziul Huq. Later they came in four trucks along with the judges, lawyers and witnesses to Suhrawardy Udyan.

People began assembling at Suhrawardy Udyan from the morning. But the police cordoned the area, all the entry points and prevented the people from coming to Suhrawardy Udyan. Police chased out a group of people when they tried to enter the Suhrawardy Udyan around 9 a.m. But when the people in large numbers surged to the Udyan, the police gave in and retreated. Following the police retreat hundreds of thousands of people assembled at the Suhrawardy Udyan.

People broke the wall of the Suhrawardy Udyan to make way for the trucks and themselves as the existing lone gate to the Udyan failed to bear the people's surge.

Police earlier in the morning dismantled the podium erected for the trial at Suhrawardy Udyan. They also cut the electricity lines scheduled for use in the loudspeakers. Police reportedly took away several microphones to prevent sitting of the people's court. But the organisers arranged trucks to erect a mobile platform for the sitting of the court. The court proceedings were done without loudspeakers.

Hundreds of processions with banners demanding trial of Golam Azam streamed to the Suhrawardy Udyan. People braving the blazing sun assembled at the Udyan and waited for hours to witness the trial. Some disabled freedom fighters on wheel chairs also came to the venue. Seeing the disabled freedom fighters, the people got agitated and chanted frequent slogans against the anti-liberation forces including Rajakars, Al-Badr, Al-Shams. They created a human chain around the court to prevent any attack on it from outside.

A good number of prominent politicians including Dr. Kamal Hossain, Begum Sajeda Chowdhury, Tofael Ahmed, Amir Hossain Amu, Kader Siddiqui, Mohammed Nasim, Sudangshu Shekhar Haldar, Tipu Biswas, A F M Mahbbul Huq, Khalequzzaman Bhuiyan, Hasanul Huq Inu, Sharif Nurul Ambia, Pankaj Bhattacharaya, Rashed Khan Menon, Nirmal Sen, Dilip Barua, Mujahidul Islam Selim, Nurul Islam Nahid, Ahmedul Kabir, Professor Rehman Sobhan, Shahjahan Siraj, Abdul Ahad Chowdhury, Nasiruddin Yousuf Bachchu, Mostafa Mohsin Montu, Manna Kaiser, mother of shahed Munir Chowdhury, Mrs. Afifa Begum and Thomas Keatings, the U.S. Attorney were also present at the trial.

Processions of different political parties including Bangladesh Awami League, CPB [Communist Party of Bangladesh], BSD [Bangladesher Samajtantrik Dal], National Awami Party, Ganatantri Party, JSD [Jatiyo Samajtantrik Dal] Sammayabadi Dal, Janata Dal, Workers Party, Ganatantrik Biplobi Jote, Muktiyoddah Sangsad, student organisations, Sammilita Sangskritik Jote, Bangabandhu Sanskritik Oikkya Jote also came to the trial venue. Family members of the martyred intellectuals also attended the trial.

Thousands of people earlier expressed their hatred against Golam Azam for his role in the War of Liberation. An effigy of Golam Azam was made in the venue which was kicked and spitted by hundreds of people.

Later, at a Press briefing at the National Press Club, Jahanara Imam, Convener of the Committee for Implementation of the spirit of Liberation War and Elimination of the killers and Collaborators of 1971 urged the government to implement the verdict of the people's court showing respect to the sentiment of the people against Golam Azam. She, however, made it clear, that the people's court was not a constitutional court and had no jurisdiction or power to implement the verdict. She sought all cooperation from the government in the implementation of the verdict of the people's court.

Jahanara Imam said the trial of Golam Azam was the first phase of trial for the killers and collaborators of 1971. More such trials would be held later, she added.

She accused the government of creating obstruction to the holding of the trial. She alleged that the police resorted to lathicharge and teargassed the attending people and seized microphones arranged for the people's court. She thanked the people for their spontaneous participation in the trial and showing their sentiment against the killers and collaborators of 1971.

Charges

Following are the charges against Golam Azam raised by the People's Court.

1. The accused Golam Azam directly and indirectly collaborated with the Pakistani occupation forces during the War of Liberation from March 26 to December, 1971 which resulted in the killing of thirty lakh men, women and children and rape and abduction of two lakh women which the People's Court charged him as war criminal.
2. Accused Golam Azam directly helped the Pakistani forces from March 26 to December, 1971 in abducting and violating two lakh women in different parts of the country engaging Al-Badr, Al-Shams and Razakars.
3. He incited and inspired Pakistan occupation forces for conducting genocide.
4. The accused Golam Azam oppressed and repressed the members of the family of the freedom fighters engaging Al-Badr and Al-Shams.

5. The accused was involved in generating hatred and inciting violence among the citizens of Bangladesh by misinterpreting the religion and killed lakhs of people. He was also responsible for ruining the arts and culture of the country.

6. The said Jamaat leader conducted looting, arson and destructed vast areas of populace engaging Al-Badr, Al-Shams and Razakars.

7. Golam Azam collaborated with Major General Rao Farman Ali and conspired for the killing of intellectuals of the country between November and December, 1971.

8. The accused was involved in the conspiracy against independence and sovereignty of Bangladesh from 1972 to 1975 by organising Committee for Recovery of East Pakistan abroad.

9. Golam Azam campaigned for establishment of fascism in democratic Bangladesh.

10. He committed for conducting genocide against humanity.

Pentagon Accused

92AS0953E Dhaka THE BANGLADESH OBSERVER
in English 28 Mar 92 pp 1, 10

[Text] Matiur Rahman Nizami, Secretary General of Jamaat-e-Islami Bangladesh on Friday alleged that the Government had arrested Golam Azam under the instruction of the Pentagon.

Addressing a rally organised by City Jamaat in front of the northern gate of Baitul Mukarram mosque after Juma prayer in protest against the arrest of Golam Azam, Matiur Rahman Nizami alleged that it was a conspiracy by the Pentagon and the Government had carried out their instruction.

The rally was presided over by city Jamaat Chief Azharul Islam and addressed, among others, by Abdul Kader Mollah, Mohammad Quamaruzzaman, and A.A.M. Mujahid.

Matiur Rahman Nizami in his address claimed Golam Azam has a great contribution to the liberation of Bangladesh. He played a vital role during the Liberation War.

He said the arrest of Golam Azam is illegal and in violation of the Constitution. He demanded the unconditional release of Golam Azam.

He said Jamaat-e-Islami Bangladesh is very much respectful to the law and asked the government not to take it as their weakness. Jamaat will not take the law in its own hand, he mentioned.

Criticising the public trial, Matiur Rahman Nizami said in the name of public trial, some foreign agents readout a paper prepared by their masters.

Mohammad Quamaruzzaman, Assistant Secretary-General of Jamaat-e-Islami Bangladesh condemned the Government for arresting Golam Azam.

Abdul Kader Mollah in his speech said the Government had failed to maintain the rule of law in the country by allowing the foreign agents, to hold public trial at Suhrawardy Uddyan on Thursday.

A.A.M. Mujahid in his speech demanded the unconditional release of Golam Azam.

People's Court Sponsors Bailed

92AS0953F Dhaka THE BANGLADESH OBSERVER
in English 1 Apr 92 pp 1, 10

[Text] The 24 sponsors of "Gano-Adalat" who were ordered arrested on several charges following the public trial of Golam Azam were Tuesday enlarged on bail by the High Court reports UNB.

It directed the chief Metropolitan Magistrate's Court which issued the warrants of arrest, to pass an order admitting them to bail after they formally surrender.

A High Court Division bench comprising of Justice Anwarul Huq Chowdhury and Justice MA Karim, after hearing a bail petition, ordered that all the accused are enlarged on bail. None of the nonbailable charges were framed, and the matter is, therefore, in a very initial stage.

The CMM [Court of the Metropolitan Magistrate] court has no jurisdiction to grant bail in charges related to sedition or declaring war against state, brought against the accused. So, the High Court has applied its inherent power, the judgement maintained.

Earlier, resuming argument, Barrister Syed Ishtiaq Ahmed said Gano-Adalat (people's court) had in no way passed any judgement, rather it was public opinion. The accused of this case have referred to the Government what they felt about a collaborator, he submitted.

The sponsors of the People's Court had stated against Golam Azam and that could not be sedition. Barrister Ishtiaq said, adding the charges brought against these people were only to harass them and put them behind bars.

The Barrister argued that sedition charges cannot be brought by the complaint of a police officer.

Barrister Amirul Islam also pleaded in defence before the court, packed with a large crowd.

Advocate T H Khan, appearing for the state, said the accused may be illustrious and prominent personalities of the country, but all people are equal before law.

"The accused have set up a parallel court by setting up Gano-Adalat," he argued.

T H Khan further said the Government had time and again warned the Gano-Adalat sponsors, but they had defied the orders.

"War can be done many ways, and the accused have waged war in a manner."

Khan submitted that the accused further threw challenge to try others and would go on trying even if it takes five years.

"This Gano-Adalat-I is not the end, the accused will set up second, third court and so on. Can any Government sit idle in this situation? He questioned. [sentence as published]

Gano-Adalat and speeches of some political parties are leading the country towards anarchy, Khan said, adding a number of newspapers were attacked after the judgement of the people's court.

He said there is no instance of setting up a parallel court in any civilised country and no instance in the last 300 years in this subcontinent and other neighbouring countries like Burma and Sri Lanka.

The Chief Metropolitan Magistrate's Court issued warrants of arrest on March 28 against 24 people involved in the Gano-Adalat that sat on March 26 and pronounced that Golam Azam is punishable by death for his "war crimes".

Officer-in-Charge of Ramna police station filed the case against Jahanara Imam, Chairman of the panel of judges of the Adalat, and 23 others, bringing charges of sedition, attempted murder, instigating anarchy and others.

Earlier, the accused secured anticipatory bail from the High Court on March 29.

Comment on People's Court

92AS0953G Dhaka THE NEW NATION in English
30 Mar 92 pp 1, 8

[Quotation marks as published]

[Text] The Constitution, that we have, assures people of their right to protection of law. The articles 27, 31 and 32 of the constitution enshrine those rights of the people.

The setting up of people's court to try criminal charges is a revolutionary concept. But it is not acceptable in a democracy. In such a people's court, the self-appointed persons act as judges. They turn out to be law-givers because they apply their own law. Situation such as this can at best be described as mobocracy or anarchy.

The article 31 requires that no action detrimental to life, liberty, property, body or reputation of an individual shall be taken except in accordance with law. Such protection of law is not only available to citizens but also to "each and every other person within Bangladesh."

The concept of people's court can at best be accepted if it is meant as a symbol of protest. It is altogether a different thing when a people's court is talked about in the backdrop of prevailing international political scene and over a common cause among nations. But the so-called people's court formed by a group of individuals cannot exist side by side with the established courts of law under an elected people's government without submitting itself to the forces of anarchy.

Some eminent and responsible persons are among the organisers of 'Gono Adalat'. It is believed that not all of them wanted to go as far as holding public trials and announcing sentences. There are persons who thought that after Golam Azam's arrest by the government, they should have given the government time and waited to see how it dealt with the matter. It is also learnt that the organisers of 'Gono Adalat' had consulted some eminent lawyers of the country. All of them did not advise that the body be called a court and trials held as such. They also objected to the idea of forming a so-called national annihilation committee but the persistent among the organisers had the upper hand. Because of the strong sentiments against Professor Golam Azam and Rajakars, some of them could not disassociate themselves from the move despite disagreement. They would have felt better if the whole process were symbolic of public condemnation of Professor Golam Azam and others, for the purpose of creating pressure on the government. Observers did not fail to note the absence of persons like Mr. Justice (Retd) K.M. Sobhan and Mr. Justice (Retd) Debesh Bhattacharya at the proceedings of Gono Adalat at Suhrwardy Udyan.

The so-called people's court set up by Jahanara Imam and others claimed for themselves the right to try individuals and adjudge them guilty of certain serious offences. Members of the court also decide the punishment they should get. After the trial of Professor Golam Azam, they demanded the execution of the death sentence within a month. Thus the government is left with the role of an executioner. The government's role, to give the citizens protection of law and their right to be treated in accordance with law, is being denied. This group claims to have 800 persons trained to constitute a death squad.

There is also the so-called national committee to annihilate killers and collaborators of 1971. The annihilation committee has arrogated to itself the right to annihilate anybody they think deserve annihilation. There is thus no scope for viewing the 'Gono Adalat' by ignoring the existence of the annihilation committee for collaborators of Pakistan army during the liberation war of 1971. Immediately after holding the trial of Golam Azam, the group announced that it would next try Maulana Delwar Hossain Saidee.

As a reaction to its provocative action, another group came out to form a committee to wipe out agents and collaborators of India. There is also a third group led by Col. (Retd) Faruk Rahman which seeks to punish what it

called fifth columnists. There is another group which seeks to take action against anti-religious and anti-Islamic minded persons.

If these groups and associations engaged themselves in activities prejudicial to public order and peace, the country will be led to anarchy and chaos. Under section 19 of the special powers act the government has the authority to suspend the activities of such associations. There are other laws to deal with individuals involved in this kind of threat to life and public order.

The bodies and associations which are threatening to take the law into their own hands and giving provocations to disturb peace, safety and public order do not have the protection of law. If such bodies which preach violence, are not stopped now, there will be encouragement to formation of many such terrorist bodies by responsible persons. Instead of democracy and the rule of law we shall then have terrorism to prevail.

BCCI Branch To Be Floated as New Bank

92AS0950A Dhaka *THE NEW NATION* in English
22 Mar 92 p 1

[Article by Matiur Rahman; quotation marks as published]

[Text] The frozen Bangladesh branch of the liquidated Bank of Credit and Commerce International (BCCI) is going to be floated now as a new bank in Bangladesh "shortly."

The government will provide initial support for its viability, it is learnt.

Bangladesh Government will get its proposal approved by the cabinet meeting soon after Prime Minister Begum Khaleda Zia returns home tomorrow at the end of her U.S. visit.

Finance Minister Mohammad Saifur Rahman told the New Nation the government decided to float a new bank instead of merging the frozen branch with any of its nationalised bank as it was done in Pakistan where the BCCI branch was merged with the Habib Bank.

He said the new bank would be floated with 40 per cent shares from the Bangladeshi depositors while another 40 per cent shares would be sold to the nationalized and commercial banks in the country and the rest 20 per cent shares would be reserved for the government itself.

The Finance Minister said Bangladesh had already received approval from London to come out of what is called 'global liquidation pool' following BCCI's closure of operation throughout the world for undertaking the new venture. Bangladesh will have to go to court also for legal approval with a view to preventing any litigation because of the bank's (BCCI) multinational character in formation and functioning, he said.

The government is learnt to have considered deeply the constraints being faced by the Bangladesh nationals with their deposit money lying idle with the bank soon after stoppage of its operation in the country from July 6, last year like elsewhere in the world.

According to the government proposal, preference of the shareholders would be given to the small depositors while the big depositors would also be allowed to have shares of the new bank.

The Finance Minister said the government would provide support initially for five years with financial backing by buying shares of the 20 per cent of the total shares.

"We want to remain at the bank to help the new bank earn both credibility and viability," he said.

The growing BCCI with its headquarters at the Comoro island was floated by Pakistan's renowned banker Mr. Aga Hasan Abedi in the early 70s with shares from important personalities from different parts of the world including the Ameers and Sheikhs of the Gulf states.

Further Reportage on Prosecution of Ershad

Pakistan Ships Purchase

92AS0956A Dhaka *THE NEW NATION* in English
22 Mar 92 pp 1, 8

[Article by Tapan Khan: "Ershad Minister in Dirty Ship Purchase Deal"]

[Text] Police is yet to arrest the accused including a Minister of Ershad Cabinet for their alleged sleazy involvement in the purchasing of two container ships from Pakistan.

The warrants of arrest against five person was issued on December 21 last year by the Chief Metropolitan Magistrate while the charge-sheets had been submitted by the Bureau of Anti-Corruption (BAC) on November 19 of the same year. They were accused of involvement in buying the ships at an exorbitant price.

The five men are: the former Minister Sheikh Shahidul Islam, Managing Director of Bangladesh Shipping Corporation Nurul Wahed Khandker, former Managing Director (MD) of BSC Tareck Anis Ahmed, Executive Director (Technical) of BSC F.T. Rahman and technical of BSC in London office Abul Kashem.

It is alleged that BSC received an offer from Karachi Shipyard Limited, Pakistan, for supply of two container ships on credit under a \$50 million state loan agreement concluded on October 13 of 1988 between Pakistan and Bangladesh.

The BSC officials obtained a valuation of the container ships from M/s Cleaves Maritime Valuations Ltd., London in July 1990 which was at U.S. dollar 19 million for each ship.

A delegation from Pakistan in September of the same year came to Bangladesh for price negotiation of the ships when they brought a proposal different from the original one and asked for an increased price, informed sources said.

According to the first investigation report and charge sheet, the BSC MD allegedly tampered with the technical description of the ships and obtained another revised price valuation from the same valuer in London at U.S. dollar 22 million for each ship. This way the accused persons entered into a corrupt deal to obtain pecuniary personal benefits and concluded the deal at an increased price of U.S. dollar 22.25 million each as against U.S. dollar 19.00 million for each ship causing a loss of equivalent Taka 29 crore 56 lakh 98 thousand as over pricing plus interest, violating terms of the loan agreement for the two ships.

When this unprecedented corruption case was unearthed by the interim government of Justice Shahabuddin Ahmed, the construction of two ships was kept in abeyance. But surprisingly, the present MD of BSC allegedly in direct connivance with the Finance Director of the BSC made 40 per cent advance payment amounting 17.8 million to the Karachi Shipyard which was a total loss to the country.

After four days of filing the charge sheet, the warrant of arrest was issued and it was also sent to BSC's headquarters in Chittagong.

It is learnt that for some mysterious reason, the police failed to bring to book the persons involved in the case. In the meantime, the MD of BSC reportedly spent weeks in the capital at the expense of the corporations to get himself exonerated from the case. He allegedly managed to drop his name from the list of persons to be arrested, it is alleged.

The Ministry of Shipping is now strangely inert on the case although it was the initiator of the case. So far the ministry failed to take any action against the people involved in the case including the officials of the Shipping Corporation.

Illegal Aircraft Deal

92AS0956B Dhaka *THE NEW NATION* in English
22 Mar 92 pp 1, 8

[Text] Special Judge Qamrul Islam Siddiqui charged yesterday former president H.M. Ershad and three others including two Ministers under him with abusing their official position as public servants to dishonestly obtain for themselves or for any person pecuniary advantage to the extent of Taka 20,18,08,260 by corrupt or illegal means in the deal made in 1989 for the purchase of three ATP (Advanced Turbo Prop) aircraft from British Aerospace Company for Bangladesh Biman, reports BSS.

The Judge said the accused persons former Ministers Ziauddin Ahmed and Lt. Col. (Retd) H.M.A. Gaffer and

former Industries Secretary A.K.M. Mosharaff Hossain in their actions have committed offence punishable under Section 5 (2) of the Prevention of Corruption Act of 1947.

The Judge said he had heard both the prosecution and the defence and after considering different aspects he is satisfied that the accused persons be charged with the above offence.

All the accused including Mr. Ershad stood one after another and pleaded not guilty after the Judge finished reading out the charges. The former President's Attorney Khandakar Mahbub Hossain and Mr. Ershad himself, however, pointed out that there were wrong quotes in the prosecution, which were reflected in the charges.

Attorney General Aminul Haq smilingly said if there was any mistake it would go in favour of the defence.

Judge Mr. Siddiqui said factual mistakes if any would be corrected. Like Mr. Ershad, Mr. Ziauddin Ahmed also complained of incorrect information in the prosecution charges and asked the Chairman (Judge) to rectify those in the interest of justice. Like Ershad, he also pointed out that manufacturers never quoted any price as has been charged.

Judge fixed April 16 for the trial to start in which a total of 24 prosecution witnesses are likely to be examined.

It is said in the formal charge that before finalisation of the decision by Biman's Board of Directors on the procurement of the ATP aircraft and finalisation of their prices, the former President, accompanied by Mr. Mosharaff Hossain, visited the factory of British Aerospace, the manufacturer of the aeroplanes and publicly praised their performances.

It was further charged that despite the Finance Secretary's request in a letter to President Ershad objecting to the purchase of ATP in consideration of Biman's weak financial position and overall situation, the Minister for Civil Aviation Lt. Col. (ret'd) Gaffar approved the purchase deal with dishonest intention.

Ziauddin Ahmed, as a State Minister in charge of Civil Aviation did not stop the deal although there were negative reports from Biman's economic and technical evaluation team on the procurement of ATP aircraft.

After the date for trial was fixed, Khandakar Mahbub Hossain made a verbal prayer that he be allowed to have consultation with his client Mr. Ershad once a week. The Attorney General assured Ershad's attorney of the meeting and said "we are preparing to provide all facilities".

Corruption in Administration

92AS0956C Dhaka *THE NEW NATION* in English
24 Mar 92 pp 1, 8

[Article by Tapan Khan: "DCC Made Den of Corruption by 3 Ershad Ministers"]

[Text] Three allegedly corrupt cabinet ministers of the autocratic Ershad regime during their tenure of office in the Dhaka City Corporation (DCC) as administrators or Mayor of Dhaka appointed a total of 953 people, by ignoring all formalities and official procedures.

Most of the appointed persons were their relatives, partymen or close associates and inefficient, corrupt and misfit. Out of 29, two of the senior officers, including the Chief Health Officer were ex-army personnel.

The three ministers of the Ershad cabinet held responsible for this irregularity were former Home Minister and Administrator of DCC Major General (Retd) Mahmudul Hasan, Col. (Retd) Abdul Malek and former Local Government and Rural Development Minister, Mayor of Dhaka and close associate of Ershad, Naziur Rahman.

These men made the Corporation a den of corruption causing loss of crores of taka for serving the interest of the autocrat. This was revealed in the white paper of the corporation released Sunday.

The number of persons appointed by Col. (Retd) Abdul Malek was the largest. He appointed 542 persons in the Corporation. Of them 27 were appointed in class-I posts, 11 in class-II posts, 355 in class-III posts and the rest 149 in class-IV posts violating the Corporation rules and procedures during his tenure.

The second largest number of persons were employed by former Mayor of Dhaka, Naziur Rahman. He employed 384 persons in the class-I posts, two in class-II posts and rest 383 in class-III and class-IV posts.

Major General (Retd) Mahmudul Hasan employed only 25 persons illegally in the corporation. Of them one in class-I posts, 15 in class-II and rest nine in class-IV posts.

Col. (Retd) Abdul Malek, bypassing the ministry concerned appointed retired army officer Col. (Retd) M.A. Sabur in the post of Chief Health Officer on July 18, 1987. Ousted President Ershad directly approved the case though Col. (Retd) M.A. Sabur at that time was more than 59 years old. Col. (Retd) Sabur was relieved from the service last year by the concerned ministry.

Col. (Retd) M.A. Malek also promoted 87 officers and employees of the Corporation illegally on October 8, 1989 for serving his narrow interest.

Major Naziur Rahman appointed Fariduddin Farhad as his private secretary and later promoted him to the post of Assistant Manager, bus terminal and subsequently gave him the charge of manager. He was only a diploma holder. But the post for manager required a person who

must have a degree in Mechanical Engineering. The corporation suffered a loss of about Taka nine lakh due to Farid when he was in the service of the DCC.

Major Naziur Rahman, violating government decision, appointed one Chief Public Relations Office, one General Manager and three managers (bus terminal). Two of them did not fulfil the requirements of the posts including that of age. One of them was an army major (Retd), the white paper revealed.

At present 4,678 regular and 6,220 master roll officers and employees are serving the DCC.

PAKISTAN

Paper Calls For Bipartisan Action

92AS0987B Karachi *DAWN* in English 29 Apr 92 p 7

[Editorial: "Social Action Programme"]

[Text] A fraction of the peace bonus on the end of the East-West cold war seems to be coming to Pakistan's share as the Aid-to-Pakistan Consortium indicated at its Paris meeting that it was ready to provide special assistance on a matching basis to Islamabad for the improvement in social services. Indications of the special aid had been coming from the international agencies since the peace prospects in Afghanistan had brightened after the rival superpowers had patched up. Encouraged by such developments and by the World Bank prodding to take social sectors seriously, the Pakistan government chalked out a 103 billion rupees three-year Social Action Programme (SAP) which was presented at the Paris meeting. The programme, which envisages spending of 53 billion rupees for development schemes and 50 billion rupees for running expenditure, is reported to have been endorsed and 500 million dollars promised for a period of three years for the implementation of this programme. The intention of the government is to almost double the budgetary allocations for the social sector from the current 6-7 per cent of the total spending to 12-15 per cent. But how and from where the matching domestic resources will be raised remains unexplained.

The SAP will cover the grossly neglected areas such as education, nutrition, primary health, population welfare, rural water supply and sanitation. In all these areas Pakistan has a dismal record. For example, in literacy, Pakistan holds 127th position among the 170 nations of the world. Since independence, the number of its illiterates has about trebled. It is 121st in per capita expenditure on health care. It occupies 95th position as far as the percentage of population with access to safe drinking water is concerned. Other social indicators, too, such as infant mortality, teacher-student ratio, number of research and technical institutions and urban transport facilities, do not let us qualify for a very respectable position. Whatever little resources we devoted to various subsectors, our policy approach remained primarily oriented towards meeting the needs of the elite. This

explains limited facilities and services in education, medicare, transport, etc. There are apprehensions that much of the fresh resources may be again diverted, this time taking shelter behind privatisation and market orientation, to serve the interests of the privileged and the partisan political groups as in the past—since the days of the Village Aid programme of the Ayub regime. In order to achieve nationally desirable objectives, use of these funds should be closely monitored and their misuse meticulously avoided. This can be done if the political opposition is taken along and a bipartisan approach is adopted to the preparation and execution of the schemes. Better results can be obtained if the implementation is entrusted to the grassroot democratic institutions and honesty and efficiency of work are ensured.

Journalist Regrets Passing of VIEWPOINT

92AS0987D Karachi DAWN in English 25 Apr 92 p 11

[Excerpt from Article by Ayaz Amir: "The End of a Lost Cause"]

[Excerpt] VIEWPOINT, Mr Mazhar Ali Khan's weekly newspaper which has ceased publication after almost 18 years, was a brave venture while it lasted. It said the right things and championed the right causes. But in an age in which the marketing of a product is more important than the product itself, its old-fashioned ways guaranteed it a low circulation.

I had a long association with VIEWPOINT writing for it was a free-lance for many years. As I look back on that period, what looms the largest in my mind, is the remembrance of the warmth and the camaraderie that I came to enjoy whenever, bag in hand and an uncertain look in my eyes, I paid off a rickshaw and walked into VIEWPOINT's spartan offices at 4, Lawrence Road.

Being jobless in the autumn of 1977, I came down to Lahore and asked Mr Mazhar Ali Khan for an appointment. In a magisterial sort of way we discussed this and that. But of any invitation to write for VIEWPOINT, on which I was counting, there was not the faintest sign. At last, overcoming my diffidence, I came straight to the point and said that I wanted to make journalism my career. The response was less than encouraging.

At VIEWPOINT, Mr Mazhar Ali Khan said, they were rather full at the moment but I could send any stuff that I wrote which, of course, would be looked into carefully. With this dusty answer as the only reward for my journey I took his leave, considering crestfallen.

Today in Nawaz Sharif's and Ghulam Ishaq's Pakistan—a time which signifies not so much the end of history as the end of politics—it is hard to visualise the intellectual excitement which marked that period. Nobody expected Zia-ul-Haq, with his funny moustache and unsure manner, to remain in power for long. Nor did anyone expect Zulfikar Ali Bhutto to be hanged.

On the contrary, people holding leftist views expected great things to emerge from those difficult days. Many of them were convinced that the PPP [Pakistan People's Party] would learn from its mistakes, shed its feudal skin and become a more vigorous party. The hard-core left, split into a score or more of insignificant factions, thought history to be on their side. Accordingly, they calculated that the rank and file of the PPP, disappointed in their own leadership, would soon flock to their banners.

Since I had left the foreign service earlier that year in order to devote myself, as I thought in my exalted state, to the Revolution in Pakistan, I was desperately in search of the right vehicle for that cause. I thought I had found it when around that time, I met Mr Mairaj Mohammad Khan in Rawalpindi. My mood was that of a burning acolyte: keen to get started at once. I even asked Mr Mairaj Mohammad Khan for a reading list to help me improve my understanding of Marxism-Leninism and Mao Tse-tung thought. The two books he recommended were Lenin's "The State and Revolution" and "The Wretched of the Earth" the name of whose author he couldn't immediately remember.

It was in this state of hypertrophied excitement that I wrote my first article for VIEWPOINT, portentously titled 'Question Time for the Left'. I expected it to be published at once. As if to give me an idea of the difficulties involved in getting on the pages of VIEWPOINT, it was not carried till more than a month later. This delay proved a great damper on my enthusiasm. Not till a year and a half later when I had been taken on board the MUSLIM by the flamboyant Mr Jehangir A. Khan, the paper's first managing editor and to my mind the best, did I attempt the hazard of writing for VIEWPOINT again.

[Passage omitted]

Government Urged To Curb Population Growth

92AS0987A Karachi DAWN in English 29 Apr 92 p 7

[Editorial: "Curbing Population Growth"; quotation marks as published]

[Text] Pakistan's population problem has become the focus of official attention after quite some time. At a seminar in Islamabad the other day, the Minister of State for Population spoke of an ambitious programme chalked out to curb the galloping birth rate. Given the fact that, according to World Bank figures, Pakistan's population grew at a rate of 3.6 per cent per annum in the 1980s, the need to tackle this problem on a war footing can hardly be overemphasised. If what the minister said at the seminar is to be believed, the financial outlay for the demographic sector will be tripled under the Eighth Five-Year Plan and a large number of field workers will be inducted in this sector.

Both of these areas have proved to be the weakest spots in Pakistan's family planning programme. Successive

governments have traditionally been measly in allocating funds for the population plans. In fact, for quite some time, the bulk of the finances for this sector came from aid donors from abroad. As for the manpower in the Population Department, which is central to the motivation strategy, since General Zia-ul-Haq decided to dispense with the bulk of it, the size of the staff has been highly insufficient to cope with the job. Not surprisingly, our population programme is rated as a modest one by international agencies, as against the 'strong' programmes of India, Bangladesh, Sri Lanka, Indonesia, China and even Botswana. If the government is now really serious about bolstering its population control efforts, and the funds for the purpose are not to be squandered on wasteful projects, one would have reason to feel confident about Pakistan's success in checking its high fertility rate.

The key issue on which depends the success or failure of the programme is the strategy adopted to popularise the small family norm. On the one hand, there is need to inform and motivate the people. On the other, it is important that contraceptive delivery and counselling services are beefed up to make them easily accessible to the people. The problem with the government's population strategy has been that it has generally adopted a laissez-faire approach. The motivation work that has been done so far has not been designed to reach the people in their homes through interpersonal communication. Announcements in the media or billboards can hardly be expected to make much of an impact on people who are, by and large, illiterate. Even television has failed to make much headway, given the fact that the population message has been telecast sporadically and not very persuasively.

The services which are essential to supply contraceptives to the people have also not been adequate. Women have been the main focus of the population programme. But their restricted mobility in our social set-up has made it difficult for them to gain access to the contraceptive outlets. That would explain why contraceptive use has been so low in Pakistan. Only 15 per cent of the married couples in the child-bearing age group are estimated to be practicing birth control. There is quite a big unmet need in the country and a number of women who wish to have fewer children are unable to check the family size because of the inadequacy of the contraceptive services.

It remains to be seen whether the government can manage to address these issues with success. But what causes misgivings about the demographic scene in the country is the absence of the social underpinning which is necessary for the success of a population programme. It has now been universally recognised that the family size is directly related to the status of women in a country. A higher level of female education, the employment of women and their social emancipation are the best guarantees of low fertility rates in a society. In this respect Pakistan still has a long way to go. The female literacy rate is pathetically low and women's labour force participation level is dismal. Above all, women do not

enjoy the status which should be rightfully theirs. In such a situation, a woman's choice is often forced in favour of a large family size, especially one with a predominance of male off-springs, as a way of gaining a modicum of dignity and respect for herself in the eyes of others. It is time the government addressed this question in earnest if it is serious about defusing the ticking population bomb.

SRI LANKA

Extradition of LTTE Leader Deemed Judicial

92AS0943B Colombo *THE ISLAND* in English
24 Apr 92 p 1

[Text] Responding to a question about the extradition of LTTE [Liberation Tigers of Tamil Eelam] leader Prabhakaran, the Cabinet Spokesman Mr. Ranil Wickremasinghe said India had not made a formal request in this regard. This was a judicial process. Asked for his reaction to the Indian Congress Party's decision to ban the LTTE, Mr. Wickremasinghe said Cabinet didn't discuss it. He said the President in his speech at Beruwala referred to the "elder brother" having to look after the younger brothers. There was no reference to India made here. The President stressed on community relationships.

The government has decided to declare 20 October as "Farmers Day." This follows a proposal made by the Minister of Agriculture and Research, R.M. Dharmadasa Banda to Cabinet, Mr. Ranil Wickremasinghe said. He said 20 October was the birthday of Sri Lanka's first Prime Minister, the late D.S. Senanayake.

Asked whether this day will be declared a holiday, Mr. Wickremasinghe replied in the negative adding that the accent will be on the farmer and development.

India Airlifts Refugees to Trincomalee

92AS0943A Colombo *THE ISLAND* in English
24 Apr 92 p 1

[Text] The Indian government has decided to airlift some of the Sri Lankan refugees to Trincomalee next week. About 1,500 refugees are expected to arrive, Rehabilitation and Reconstruction Ministry Secretary Christie Silva said.

He explained beginning 27 April batches will arrive in three flights and the arrivals will take place four days of the week. They will be brought by Indian Airlines planes. On 25, 29 April, more batches will arrive by ship to Mannar and in all, 1,000 were expected to come on these two days.

The refugees are advised by the authorities to remain in camps in uncleared areas until those areas were cleared. Those who volunteer to venture out have to give a letter to that effect to the Government Agent. He said so far 4,799 families (15,662 persons) had arrived from India.

Human Development Achievement Viewed

Top Position Lauded

92AS0944A Colombo *DAILY NEWS* in English
23 Apr 92 p 1

[Article by Thalif Deen; quotation marks as published]

[Text] Sri Lanka's commitment to human development has earned the country the number one spot among South Asian nations in the latest Human Development Index (HDI) released by the United Nations Development Program (UNDP).

In the 1992 annual HDI released in New York, Thursday, Sri Lanka is streets ahead of the Maldives, Pakistan, India, Bangladesh, Nepal and Bhutan—all members of the seven-nation South Asian Association for Regional Cooperation (SAARC).

Introduced in 1990, the HDI ranks countries not by the traditional Gross National Product (GNP), but by a combination of life expectancy, education and purchasing power.

The new yardstick, created by the United Nations agency described as the world's largest multilateral grant development assistance organisation, provides a more realistic composite picture of a country's achievements in human development.

Sri Lanka is ranked first among SAARC nations, although it is 43rd among the world's 128 developing countries and 76th among the 160 countries at the United Nations.

The corresponding rankings for Maldives is 99, Pakistan 120, India 121, Bangladesh 135, Nepal 140 and Bhutan 147.

A U.N. spokesman said in New York last week, that if Sri Lanka is to improve on its HDI standing in the coming years, it has to make a determined effort to prevent the deterioration of its health and educational services, narrow the gap between the rich and the poor, check its rising cost of living and strengthen the country's poverty alleviation program.

The HDI, which categorises countries under "high," "medium" and "low" human development takes into account six factors, including life expectancy at birth, adult literacy, mean years of schooling, overall literacy rate, educational attainment and real Gross Domestic Product (GDP) per capita.

Sri Lanka is the only SAARC member in the "medium" human development category—with the remaining six South Asian nations in the "low" human development category.

The only Asian countries in the "high" category are: Japan, South Korea, Singapore, Brunei and the British crown colony of Hong Kong.

Japan, which was number one in the HDI both in 1990 and 1991, has been pushed into second place by Canada: the country with the world's highest ranking in human development for 1992.

In an interview with the *DAILY NEWS* last week, Mahbub al Haq, the author of the annual human development report, said his New York-based agency is making a strong push for a summit meeting of world leaders to discuss the importance of human development.

A former finance minister of Pakistan, Haq said the UNDP is seeking more open governments, better economic management and massive investments in people and in technology.

He argued for a restructuring of budget priorities in developing countries such as Sri Lanka—particularly through reductions in military spending and privatization of inefficient public enterprises.

These, he said, can provide sufficient resources for the human capital formation needed for future growth.

There is also a need for a fundamental change—from "land security" to "people security," including food security, economic security and environmental security, he said.

Haq said the UNDP has also reiterated the need for the establishment of a new Development Security Council at the U.N. which would tackle all important issues on the global policy agenda—from food security to ecological security, from development assistance to humanitarian assistance, from debt problems to commodity problems and from drug trafficking to technology transfers.

There was a need for such a council, he said, because the present 15-member Security Council deals exclusively with political issues—not development issues.

Elatement Termed 'Euphoric'

92AS0944B Colombo *THE ISLAND* in English
24 Apr 92 p 6

[Text] A report in a morning newspaper said yesterday that the United Nations Development Program (UNDP) had found that Sri Lanka had gained first place in terms of the Human Development Index (HDI) in the whole of South Asia. The HDI is based on six factors—namely life expectancy at birth, adult literacy, mean year schooling, overall literacy rate, educational attainment and real Gross Domestic Product per capita—and is considered a more composite picture of development than the traditional yardstick of Gross Domestic Product (GDP).

While HDI was introduced in 1990 it will be recalled that development economists in the 1970's and 1980's based the same kind of calculation on what was then called the Physical Quality of Life Index or PQLI. Here too Sri Lanka came out creditably as a country with a high quality of life although we may not have qualified

for accolades in terms of the GDP. Whatever HDI or PQLI this high quality of life in Sri Lanka is no doubt due to the Welfare State introduced as long ago as the beginning of independence and maintained and supported by every government since then. Free education, free health services, a high rate of literacy, high life expectancy following the defeat of malaria, a drastic reduction in maternal and infant mortality and subsidised food formed the bedrock of this welfare package.

It is good to know that Sri Lanka still maintains this record as testified to by the UNDP although it is not necessary to entirely go along with the sense of euphoria which informs us glibly that in Asia we are in the category of Japan, South Korea, Singapore, Brunei and Hong Kong. Both in their economic approaches as well as political positions there are important differences between most of these countries and Sri Lanka. In fact the economic advancement of several of these countries at least is based on the existence of one-party rule which can never be a condition for Sri Lanka's own advancement.

What is far more relevant is the observation made by a U.N. spokesman in New York that if Sri Lanka is to improve on its HDI it has to make a determined effort to prevent the deterioration of its health and educational services, narrow the gap between the rich and the poor, check the rising cost of living and strengthen the country's poverty alleviation program. In fact this is precisely the extent of the dilemma of an underdeveloped country like Sri Lanka bequeathed with a high quality of life by the Welfare State but stranded in a world where 'welfare' has become a dirty word. For a while, on one hand, the mandarins of the U.N. advise us to maintain and improve on our quality of life, on the other, the seers of other U.N. organisations and lending agencies exhort us to cut down on welfare spending and strengthen the private sector at the expense of the public sector.

How to maintain the welfare package which guarantees the high quality of life with the new nostrums of privatisation is the dilemma which faces the Third World today and in this context the UNDP's report on HDI is at best only a partial answer.

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